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SOCIAL JUSTICE

National Weekly Review
Founded 1936 by Father Coughlin

The Suppressed Truth

Volume V. No. 4 | Royal Oak, Michigan | January 24, 1938

U. S. NEEDS NO DICTATOR: NATION CAN SAVE ITSELF

Here Is a Surprise For You -- and a Job

Editor Plans For a Better 'Social Justice'

Will You Write at Once to Fr. Coughlin Your Reaction to 'the Nation's Best Magazine'

By the Secretary of Social Justice Publishing Corporation

FOR the past month Social Justice Publishing Corporation has been burning the midnight lantern in exploring new paths towards progress.

When this weekly review was handed over entirely to Father Coughlin's editorial direction, our Reverend Editor and Chief, ordinarily gifted with a smile, scowled. His nose began to turn towards the moon. Evidently his wry face and sour demeanor were emotions which advertised unkindly thoughts.

Pleasantly a question was worded to him: "What is wrong with **SOCIAL JUSTICE?**"

After concluding several pipe-fulls of tobacco, he began pacing up and down the floor rehearsing his answer.

Finally, the thunder clap sounded and the lightning struck.

Father Coughlin's Opinion Is Shock

Your trembling reporter eventually reduced to plain English the following objections:

1. The newsprint is a disgrace. We should be ashamed to offer it for sale.

2. **SOCIAL JUSTICE** is neither a newspaper nor a weekly review. It reminded the Reverend Editor of a pet dog which his neighbor's boy adopted last Christmas. The dog's mother was a red Irish setter and its father was a water spaniel.

3. The money question is the most important question in the economic world today. What would you think of a radio station which, for sixteen hours a day, talked of the Federal Reserve Banks, the money changers and the depression? It would soon be out of business. The parallel applies to **SOCIAL JUSTICE** newspaper and its sixteen pages. It is high time that we increase the number of pages; that we introduce some other matter besides the above-mentioned topics.

Chief Submits Progress Program

Thus, having handed over full editorial power to Father Coughlin, and instructing him to make **SOCIAL JUSTICE** Review the best possible paper of its kind, we were submitted the following program:

1. Beginning, either the last week in February or early in March, **SOCIAL JUSTICE** will be printed on paper equal to the quality used by **COLLIER'S MAGAZINE.**

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Warning!

The drive for subscriptions to **SOCIAL JUSTICE** undertaken by members of Social Justice Councils has opened a field for racketeers who are reported to be "reaping a harvest" in some areas.

PAY NO MONEY TO STRANGERS!

Authorized solicitors will be amply identified by their State and Local Moderators.

In case of doubt send subscription orders and remit payment directly to the Social Justice Publishing Co., Royal Oak, Michigan.

If unauthorized outsiders are able to "reap a harvest," as reported, from the sale of **SOCIAL JUSTICE** subscriptions, the task for those familiar with Father Coughlin and his program should be easy.

The entire national circulation field is as yet untouched!

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Industry Invited to Co-operate in Unions; Shoe Men Could Lead

Enlarging upon his theme of co-operation between all classes to secure social justice for all, as presented in his first broadcast, Father Coughlin on Sunday, January 16, gave America a further picture of voluntary industrial co-operation as contrasted with forced regimentation under dictatorship.

"No nation in all the world is one half so well circumstanced as our own," said Father Coughlin. "I am confident that the present acute situation can be eliminated when we consider the assets which we now possess as we move forward to rectify these ills.

"Our factories are still intact. Just beyond the factory doors, there is the most marvelous market ever envisioned by man. Added to these materialities, there is springing up in every American heart a new national philosophy. It is now generally accepted that the ownership of a factory and the use thereof are distinct. The industrialist cannot do as he pleases with his factory any more than a farmer can do as he pleases with his acres; any more than a motorist can do as he pleases with his car. The acceptance of that distinction by all classes of citizens is a precious benediction.

(A copy of Sunday's broadcast will be mailed to every person writing directly to Father Coughlin at Royal Oak, Michigan. The complete text of these broadcasts will not be printed in SOCIAL JUSTICE or in any other publication.)

Let Industrialists Form Own "N.R.A."

"When I propose the rationalization of industry and the regulation of production I intend to pay a well-earned compliment to business management. This philosophy is not to be misconstrued in the sense that I advocate the intervention of government to dictate that the policies and practices of industry be executed under the jurisdiction of a military form of government. That would be dictatorship; that would be Fascism.

"With the principle well established, that ownership of a factory does not permit the owner to use it as he pleases—I propose that the shoe manufacturers of America, for example, establish their own organization. With the aid of available government statistics, let them ascertain the approximate quantity of shoes which America will consume in a given year. Let them place their factories on schedules of a five-day week and an eight-hour day. Let it be their agreement to work unitedly, not as rugged individualists, but as members of the team, abiding by the rules and regulations set down at their convention.

"This agreement must include fair wholesale prices for all shoe manufacturers based not only upon a fair profit for themselves but upon a fair annual wage for all their mass production employes even though the factories are scheduled to work no longer than ten months a year.

"Fascism attempts to accomplish this end through the agency of a dictator who is in full command of a subservient army.

America needs no such Fascism. We can accomplish this through the establishment of industrial unions in which the owners of industry voluntarily

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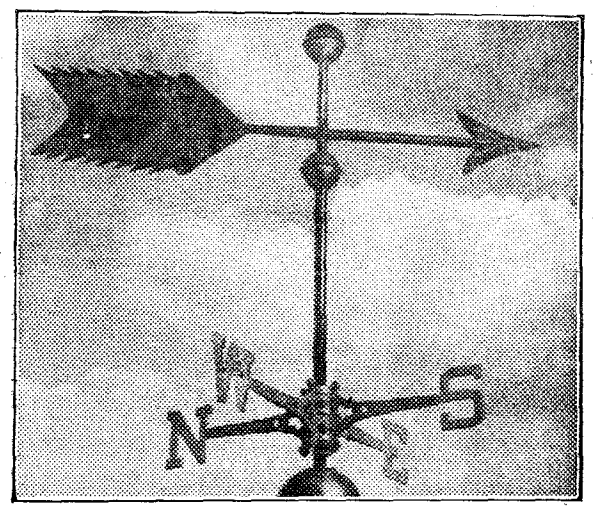

THE INDICATOR

By Father Coughlin

IN 1929 there were approximately 29,000 banks in the United States of America. Only 8,000 of these banks—or fewer than one-third—were affiliated with the Federal Reserve Banks. The majority of these affiliates were national banks which received their charter from the federal government. The minority were state banks which received their charters from the state government.

After the bank holiday of March 4, 1933, many of these banks closed their doors never to open them again. Today, we have about 15,000 banks in the United States of America and all of them, practically, are affiliated with the Federal Reserve Banking System.

The New Deal administration was and still is of the opinion that if the Federal Reserve Banking System were built up instead of destroyed, all financial illness in the United States would disappear.

* * *

In March of 1929 the 8,000 banks in the Federal Reserve System and member banks had issued in loans approximately $26-billion.

Immediately following the bank holiday, June, 1933, we discovered that these loans had been withdrawn from industry and commerce to the extent of over $13-billion. In other words, more than $13-billion was suddenly taken out of circulation with the result that the ship of commerce, trading between the ports of supply and demand, became stranded upon the rocks of depression. The money stream had been drained.

* * *

The President of the United States nas frequently applauded his administration for rescuing the banking system and for fortifying it against future failures. This fortification was accomplished by loaning to the Federal Reserve Banking System $2-billion of the people's money through the agency of the R.F.C. and by insisting that all non-member banks able to re-open with the assistance of government help must join the Federal Reserve Banking System.

* * *

Has this applause been justified?

The answer will be in the affirmative if it can be shown that the Federal Reserve Banks and their affiliates did not withdraw money from circulation following 1933 as they did preceding 1933. The answer is negative if it can be proven that this unsound withdrawal has been continued or if the deficit created just prior to the bank holiday was not rectified.

Next week an article will appear in this review contributing definite figures from official sources which will enable the readers to arrive at a conclusion.

Meanwhile it is certain that the Federal Reserve Banking System did not fill up the valley of deficiency existing on March 4, 1933.

It is true that this private corporation did make loans to the New Deal government of some $18-billion. It also is true that loans made to industry and to merchants were practically negligible.

* * *

MORE than twelve months ago Mr. Roosevelt, then candidate for the presidency, was very happy in telling the American people that the depression had passed; that the smoke-stacks were indicating prosperity; that unemployment had dropped to nearly 5 million; that stocks and commodities were almost at the 1926 level. Shortly following the 1936 election, the recession set in—**just at the time when the nation's banks were in a position to lend money to industry and to commerce.**

* * *

What happened? The Federal Reserve Board, of which Mr. Eccles is the governor, began to assert its authority. Loans to industry and commerce were blocked. Loans already extended were rendered uncomfortable. The millions of dollars pouring into the United States Treasury every day as a result of the Social Security Act were used to cancel government loans. The money stream was being drained as a result of this legislation.

Great Britain and the seven great farming nations associated with her—including Denmark, Holland, Brazil, the Argentine, Canada, Australia and South Africa—raised the price of gold from $35 an ounce to more than $41 an ounce. The United States, the possessor of over two-thirds of the world's commercial gold, retained the $35 per ounce price.

* * *

How is all this interpreted? The Federal Reserve Banking System did not put money into private circulation. The American manufacturers immediately lost foreign markets because Brazil, for example, preferred to trade with Great Britain with gold at $41 an ounce than with the United States at $35 an ounce, just the same as you would prefer to trade with a grocer who would sell you 41 ounces of sugar for a quarter instead of with a grocer who would sell you only 35 ounces for the same money.

* * *

The money stream was unregulated. A New Deal deflation had been decreed. It was operated through men, all of whom had been appointed by Mr. Roosevelt, including Mariner Eccles, the governor of the Federal Reserve Board. Instead of considering gold an ordinary commodity to be bought and sold on an open market like copper or silver or sugar or hides, the foolishness of pegging it at a fixed price against the seven most powerful nations in the world helped to bring about the present recession with its fading of prices, its disappearance of values and its increase in idleness.

* * *

MEANWHILE we revert to the Constitution of the United States which gives Congress the right to coin and regulate the value of money and of foreign coins.

It is unfortunate that Congress does not coin and issue money; that it is coined and issued (95 per cent of it) by the Federal Reserve Bank.

It is more unfortunate, however, that Congress does not insist that money be regulated; that it does not force this privately owned banking system to keep sufficient money in the stream of industry and commerce to enable factories to produce what they are capable of producing and citizens to purchase what their conveniences and needs demand.

Lastly, it is most unfortunate that Congress does not regulate the value of foreign coins, of British pound sterling, for example, on a basis that would give American producers and buyers an opportunity to compete evenly with the present British Bank notes which, as far as foreign trade is concerned, are tied up to the gold ounce at $41.34.

* * *

It is either through a total misunderstanding of money and its function, or through an unexpressed desire to enable the British people, through the Bank of England, to pay back the private war debts to the private owners of the Federal Reserve Banks which motivates this entire disastrous policy. There is no practical desire on the part of Great Britain for her to pay back the public debts of that nation to the public purse of the United States Treasury.

* * *

FOR practically ten years the radio pulpit at the Shrine of the Little Flower has exposed the monopolies which operated against the best interests of the American people. It has exposed the empire of the great power and light monopoly operating on the eastern seaboard of the United States.

When the President, on the occasion of the Andrew Jackson festivities, reviewed this point, we were happy. But we were unhappy when he intimated that Old Hickory himself was primarily opposed to this type of monopoly. De facto, Andrew Jackson opposed the monopoly of the Bank of the United States in its issuance and regulation of money to suit its private owners.

De facto, Andrew Jackson withdrew the charter from the privately owned Bank of the United States despite the

(Contniued on Page 3)

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Can Great Britain Rope In America?

Would England Keep Pact About Trade With U. S.?

Record Shows British Have Violated Eight Treaties With United States Since 1783!

During the 130 years between 1783 and 1913, thirty separate treaties were concluded between the United States and England. **Of these thirty treaties, eight of them (about one in four) were violated by Great Britain,** several of them in more than one particular.

John Bugelow in an authoritative work, **"Breaches of Anglo-American Treaties,"** lists the following as specific treaty violations:

1. **Definitive Treaty of Peace (1784).**
2. **The Jay Treaty (1795).**
3. **Treaty of Ghent (1815).**
4. **Rush Bagot Agreement (1818).**
5. **Convention Respecting Fisheries (1819).**
6. **Convention for Indemnity (1823).**
7. **Clayton-Bulwer Treaty (1850).**
8. **Treaty of Washington (1871).**

"England has always been notorious for her evasion of treaties," writes Bugelow. "President Buchanan, in 1857, in his first message to Congress, said:

> "'It has been our misfortune almost always to have some irritating, if not dangerous, outstanding question with Great Britain. Since the origin of the government, we have been employed in negotiating treaties with that power and afterwards in discussing their true intent and meaning."

Elsewhere Bugelow refers to England's peculiar manner of reading her own meaning into treaties:

"With no other nation have we had so much trouble in understanding our treaty stipulations as we have had with Great Britain. It is an old strategem of diplomacy for a powerful state, negotiating with a comparatively weak one, to make the terms equivocal, and when the convention is ratified, to impose its own construction of it upon the other party.

"In one of the debates over the Clayton-Bulwer treaty, Senator Mason of Virginia said: "I think whoever has read this correspondence (relative to interpreting the treaty) will have been struck with the fact that so far as it was conducted on the part of the American government, plain, ordinary, explicit terms were used to express an explicit and plain meaning; and that the meaning of the American government cannot be misunderstood, whereas on the part of the minister who conducted the correspondence on the part of the British government (Lord Clarendon) if you attempt to get at the meaning of England, you will fail and find yourself involved in a maze of confused sentences, indeterminate and vague expressions, in which there is no distinct assertion of title drawn from any distinct source.'"

Station WOR of New Jersey and New York refused to carry Father Coughlin's broadcast.

N.Y. Listeners Wire Protests to Station WOR

New York followers of Father Coughlin's radio broadcasts sent the following telegram of protest because "no time was available" for station WOR to negotiate a radio contract for this year's broadcasting:

Percy Straus,
R. H. Macy and Co.
New York, N. Y.

Approximately 600,000 followers of Father Coughlin in the New York metropolitan area are wondering why Father Coughlin has been unable this year to obtain his usual broadcasting time from Station WOR, which has been identified over an eight-year period with Father Coughlin's programs.

This matter is brought to your attention because of understanding you and your associates control station WOR and therefore should be interested, along with Father Coughlin's supporters, in arranging for WOR to be one of the 60-odd stations over which Father Coughlin broadcasts.

Hope To Get U. S. In War Says London Magazine

G. K.'s Weekly Asserts English Are Half Way To Goal

Under the heading: **"Can We Rope in America?"** G. K.'s Weekly—a London magazine founded by the late G. K. Chesterton—declares that the British **"have won half the struggle" to get the United States into a war against Japan in the Far East.**

The magazine says:

"It is commonly said up and down Europe that we can make the United States do what we like. That idea is based on actual and recent experience of the last twenty years.

"We got the United States into the great war on our side, and, what was more extraordinary, we managed in the debt business to make France the villain of the piece. We have got them (the United States) to feel with us against modern Italy, and we have got them to talk of ourselves as a 'democracy' — which is prodigious."

After this admission the article says: "Can we rope them in to fight or threaten the Japanese?

"We are the only people of the old world who still use the same printed word and largely the same spoken word as the Americans. Much more important than this mechanical advantage is the spiritual advantage of a literature largely in common with them and an interpretation or myth of general history which is held largely in common with them.

"American opinion is inflammable, and just as we got up the cry 'to hell with the Hohenzollerns and Hapsburgs,' so we might get up a slogan for the Pacific.

"We are about half way to our goal. Shall we be able to go the remaining half? . . . That is the important question of the moment, and, as this paper is free to tell the truth, the truth can be stated in its simple and obvious terms. As things now stand, our chances are—to put it in American—about fifty-fifty."

His Home Is Open

Art Lawrence of Doland, South Dakota, caused the following paid advertisement to be inserted in the Doland Times Record:

> **"Notice—Rev. Chas. E. Coughlin has been released, and will step before the mike on January 9th at 4 p. m. E.S.T. General subject, Christianity vs. the U. S. Dollar. My house will be open to all who wish to hear the voice of the man the money changers would like to silence forever. You are invited. Art Lawrence-adv.**

They Sell Social Justice

Roxbury, Mass.
John E. Alner,
111 Dudley St.,
Care Hawthorne's Drug Store.

Palmer, Mass.
W. S. Allen,
21 Church St.

Minneapolis, Minn.
Teresa Fitzgerald,
2424 16th Ave., So.

Milwaukee, Wis.
Twelfth & Walnut Newsstand,
North 12th and W. Walnut Sts.

Detroit, Mich.
C. E. Swaney,
355 W. Grand Blvd.

Minneapolis, Minn.
Richard A. Palmer,
2007 4th Ave. So.

THE INDICATOR

Continued

pleadings of Mr. Biddle, its president, who pictured the disaster which would result by such an action to the well circumstanced people who owned stock in that institution, and thereby profited at the expense of the American public at large.

When the private coiners and regulators of money besought a continuance of their class privilege, Jackson said that if the owners of the Bank of the United States should suffer a loss "that is your sin. It would be my sin if I allowed you to continue." And 80 per cent of the stock of this Bank of the United States was owned by the Bank of England and foreigners!

* * *

All this **reverence for Jackson is vain if we do not revere the man for what he actually accomplished.** To honor Andrew Jackson as real Democrats should honor him, they should imitate him and not practice policies diametrically opposed to his.

IN conclusion, be it repeated that the Federal Reserve Board is totally distinct from the Federal Reserve Banks. The former consists of a group of men appointed to serve on a commission, as it were, to supervise the privately-owned Federal Reserve Banks. In one sense it it similar to the Federal Communication Commission which is appointed to supervise the privately owned telegraph companies and radio stations.

The Federal Reserve Banks are totally and absolutely owned 100 per cent by private individuals just the same as is station WJR, WOR, the National Broadcasting Company and the Columbia Broadcasting System.

* * *

If the Federal Reserve Board operated perfectly by insisting that an adequate amount of currency, an adequate amount of credit were always available for industry and commerce and labor and agriculture, two-thirds of our financial troubles would vanish because the regulation of the dollar is far more important than the coining or the issuing of the dollar.

As it is, the Federal Reserve Board, the members of which were all appointed by Mr. Roosevelt, stand indicted today for not having performed their duties to the best interest of the American people.

* * *

SOCIAL JUSTICE is still of the opinion, as it was in the past, that the happy solution of our entire difficulties is for the government to purchase all the stock owned by the Federal Reserve Banks so that all the profits gained by this institution would accrue to the American people instead of to a handful of private individuals; and that Congress should appoint a Federal Reserve Board composed of men of the highest moral and technical standing to occupy their position for life, independent of politics and politicians. It would be their business to regulate the American dollar and foreign coin to the best advantage of the American people.

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SOCIAL JUSTICE

NATIONAL WEEKLY REVIEW

REV. CHAS. E. COUGHLIN, LL.D.
Editorial Counsel
(By permission of his Superior)

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

A Message From Father Coughlin

AS a gesture of courtesy to the new readers of **SOCIAL JUSTICE**, permit me to rehearse the basic thought expressed in a recent broadcast. Some time ago I endeavored to point out the necessity for us to stop, look and listen—to stop class conflict, to look for an American democratic way out of our difficulties and to listen to the sane gospel of co-operation.

We Americans need each other for the preservation of our country and its ideals. We require services which we ourselves cannot supply for ourselves but which can be supplied only by the other citizens with whom we live in the solidarity of our nation.

As citizens we are divided into various classes. Each class is intimately dependent upon other classes—just as intimately as each organ of the human body depends for its well-being upon the orderly co-operation of the other organs.

In one sense the state is similar in construction to the human body. In the latter we have hands and arms capable of performing the so-called functions of manual labor. There are feet and legs through which we exercise the power of locomotion. There is the brain, closely associated with the process of thinking; the lungs, closely identified with the faculty of respiration; the heart to pump the life blood through the entire circulatory system; the nerves which hold in communication every portion of the body.

All in all, there are at least eighteen separate and specific activities in a human being which enable him to fulfill orderly and reasonably the functions of life.

Each faculty performs its proper work. The ear does not attempt to see. The brain does not try to walk.

Each faculty lives at peace with the others. The hands will not pluck out the eyes. The stomach will not attempt to monopolize the entire flow of life blood from the heart any more than should any one class of citizens determine to destroy another class.

For more than fifty years there has been preached the gospel of labor unionism. As important as it is for the laborers to unite for their mutual protection, I dare say that in this crisis of civilization it is more important to emphasize the principles of class co-operation and to eradicate the heresy of class individualism.

Class co-operation, from which alone can national unity spring, has been minimized by the rugged individualists in industry, by the private privileged regulators of finance in banking, and by the loose-thinking radical leaders in labor who were motivated too often by the fallacies of class profit and class struggle instead of by the truths of national prosperity and class co-operation.

It is certain that class conflict will complete the destruction of this nation. It is equally certain that class co-operation will preserve it.

Co-operation?

AMERICA has learned, since March 4, 1933, that there are political "royalists" as well as economic "royalists." Latterly, America has been learning slowly and painfully that, whereas the economic blue-bloods may at times, be pernicious, they are productive; while the political "royalist" is parasitically destructive.

That the average American is gaining a new point of view and formulating a new standard of judgment is indictated by the recent temper of the administration.

Heretofore the president dealt with business in terms of "breathing spells"—while he held the whip hand concealed but ready behind his back. Since the Roosevelt depression broadened and deepened to positively menacing proportions, however, he has been talking about **co-operation between government and business.**

The people themselves have brought about that transformation.

No one in the nation feels the pulse of popular opinion so strongly as does the politically gifted resident in the White House. As he played the "great mandate" of 1936 for all and more than it was worth, so now he is curbing his flair for "mastery"—because he knows that the people are awakening to the truth that business men are not as bad as they have been painted and that politicians are not the demi-gods they seemed at the despair-depth of the depression.

It has been the history of our republic that while the people are slow they are singularly sound. They are easily beguiled; but sharp crises snap them out of their reveries. And woe to the leader who thwarts their will once an issue is clearly in their minds and they have formed a mass decision.

Mr. Roosevelt is a highly gifted politician. His public record reveals also, however, that he is possessed of an over-powering compulsion for personal power. Today these two salient qualities of our leader are at conflict within his breast.

Which will prevail?

On the answer to that question hangs the happiness, the prosperity and the progress of one hundred and thirty million people.

Will the president hearken to the voice of the people or to that urgent whispering which rises up from within his own personality?

The Lion Pacified

ONE of the most startling developments of the recent peace conferences between business, government and the leftist allies of the administration is the conversion to the ideal of co-operation of belligerent John L. Lewis.

The dictator of the C.I.O. actually sat in on a conference between the president and the biggest business men from Wall Street. He even consented to be spokesman for the group. He said:

"We attended this conference with the president and discussed the seriousness of the economic and industrial situation of the country. This group had some preliminary discussion and was impressed with the desirability, if at all possible, of working out with the administration a definite program of action by business, government and labor."

We trust that John L. Lewis is impressed with his and his organization's large share in helping to create "the seriousness of the economic and industrial situation of the country." We likewise hope that his present attitude is a sign of true repentance and not merely expediency.

Whatever his motive may be, however, his co-operation if it is whole hearted and consistent, will remove one of the major "unsettling" influences in the economic affairs of the nation.

EYES and EARS

By Mark Meechan

PROBABLY there is no more abused term in the English language than "liberalism."

To the unthinking, perhaps, the precise use of words is of merely academic interest. To the unthinking, words are divorced from every day life except insofar as they facilitate ordinary work-a-day human intercourse.

Such people forget that our nation sacrificed unnumbered billions of dollars and thousands of young lives, back in 1917 and 1918 for the misused word, "democracy."

Such people never consider what, today, we are risking on the word liberalism as it is being misapplied to men and principles.

Specifically, we mean that the New Deal, by arrogating to itself the name of liberalism and by cloaking the conflicting policies of New Dealism with the term "liberal," is distorting that well known and historic word out of all semblance of itself.

The New Deal is promising the people one thing, liberalism, and under that label serving them up something entirely and dangerously different.

The word liberalism, as it refers to politics and government comes from old England and it had a definite limited and clear-cut meaning.

"The function of liberalism in the past," wrote H. Spencer, "was that of putting a limit to the powers of kings. The function of true liberalism in the future will be that of putting a limit to the powers of parliaments."

The dictionary, where the precise meaning of words is preserved (not to say, in these days, embalmed), defines liberal, in the political sense, as "favorable to personal, political, or religious freedom."

So the word liberalism means devotion to freedom—and specifically, as we glean from Spencer's dictum, f r e e d o m from the encroachments of any governmental power, personal or parliamentary.

One man government (as typified by a king, a dictator, or a virtual dictator) is the very opposite of liberalism.

Bureaucratic government, as exemplified by any group including parliaments and congresses, or by departments and commissions, is the antithesis of liberalism.

* * *

In this nation the growing drive to concentrate power and authority in the federal government is the opposite of liberalism.

(Continued on Page 12)

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Some More Facts About Facts

Mr. John L. Lewis Is Invited to Purge the CIO of Communistic Leadership

By...
Edward Lodge Curran, Ph. D.

(Copyrighted by Social Justice Publishing Corporation)

FOUR years ago the symbols "C. I. O." meant nothing to the general public. Today they have become the symbol for the principle of industrial unionism as contrasted with the principle of craft unionism.

The American Federation of Labor has organized American workers into unions, or units for collective bargaining, on the basis of particular crafts or skills or workmanship.

The Committee on Industrial Organization has organized American workers into unions consisting of all those who labor in a single industry, irrespective of the particular skill they possess or the particular job they perform.

That is why A. F. of L. unionism is called "craft" or cross-sectional unionism. And that is why C. I. O. unionism is called "vertical" or top-to-bottom unionism.

The American public has had a long and amiable acquaintance with the American Federation of Labor. Its acquaintance with the Committee on Industrial Organization dates only from the closing months of 1935.

In these days of confused thinking and vague language it is necessary to analyze the principles and the personnel of the C. I. O., if we wish to arrive at a fair estimate of the place which it should occupy in American life.

Day by day in America, it becomes increasingly difficult to indulge in honest criticism of a movement or organization without leaving oneself open to all sorts of unfair and prejudiced indictments. Thus, in the minds of the thoughtless, to whisper even the slightest criticism of the great high priest, John L. Lewis, is to become stigmatized as anti-union or anti-labor.

It makes no difference if the critic of John L. Lewis be foremost in the ranks of those who, following the Papal Encyclicals, demand that American workers unionize for the protection of their economic rights and that American citizens insist upon returning the power to coin money to Congress, so that the citizens of America may control the channels of credit and not the international bankers who would sell their country as well as their souls for a few more swollen bank accounts.

Such an uncritical condemnation of the legitimate critic is one of the mental tragedies abroad in America today. In spite of it, we propose to analyze some of the reasons why C. I. O.-ism has met with such opposition on the part of real people who are really interested in the progress and welfare of the American worker.

FIRST of all, there is nothing wrong in the principle of unionism adopted by the C. I. O. It is just as bona fide to organize workers from top to bottom in an industry as to organize them cross-sectionally in crafts. The American Federation of Labor itself engaged in some form of industrial unionism when, after the passage of the now defunct N.R.A., it proceeded to set up so-called "federal unions," meaning the unionization of all the workers in a particular industrial plant, irrespective of the particular skill they were performing.

The difference between these "federal unions" attempted by the A. F. of L. and the "industrial unions" of the C. I. O. lies in the fact that the C. I. O. proposes to organize all the workers in all the plants of any given industry, whereas the "federal union" sought to organize all the workers only in each plant, separately, of any given industry.

There is nothing inherently wrong, then, in the principle of unionism incorporated in the C. I. O. **Strangely enough, it was John L. Lewis and his United Mine Workers of America who were the first to condemn the prineiple of industrial unionism, now adopted by them, in 1924.**

According to a report drawn up by the United Mine Workers of America and published later by the Government Printing Office in Washington, the "introduction of industrial unionism into the United States would mean the forceful and vicious entrance of Communism into the labor fields." These are the thoughts of John L. Lewis and his United Mine Workers only thirteen years ago. At that time, incidentally, John L. Lewis denounced Powers Hapgood, John Brophy and Adolph Germer—his present associates in the work of industrial unionism—in terms which we would not print for fear of libel. Needless to say, Hapgood, Brophy and Germer, then as now interested in industrial unionism, returned the verbal and vehement compliments.

Up to the present moment John L. Lewis has never seen fit to explain his change of front. **Why did John L. Lewis denounce C. I. O.-ism in 1924 as the open door to Communism? What happened in the course of twelve or thirteen years to make *him swallow his own printed report?***

If there be any lovers of labor in the United States opposed to the entire theory of C. I. O.-ism—and we ourselves are not among them—John L. Lewis has only himself and his United Mine Workers and their printed report to blame. Unless, of course, one must attribute to the changing attitudes and contradictory statements of John L. Lewis, between 1924 and 1935, the quality of infallibility.

In other words, John L. Lewis himself must take the blame for any general criticism of C. I. O.-ism as communistic. He himself condemned it as such in 1924.

MOREOVER, in 1931 the same John L. Lewis made the following statement which no American and no believer in democracy should ever make: "As a purely political philosophy," said Mr. Lewis, "I have no quarrel with Communism."

Did Mr. Lewis mean what he said? Did he know what he was saying? Did he realize that the political philosophy of Communism is summed up in the word dictatorship? Did he know that because of the political philosophy of Communism, as it has revealed itself in Soviet Russia, the Russian worker who receives a starvation wage and whose wife must work side by side with him in the factories and oil fields and mines, is permitted to join no union save the Red Union which is a company union?

The political philosophy of Communism **decrees the abolition of all civil and religious and economic rights.** The political philosophy of Communism, as expressed in the writings of Lenin and Stalin, means a dictatorship over the proletariat by a powerful but insignificant minority called the Communist Party.

In other words, if some of the American public look upon C. I. O.-ism as pink or red or merely pale, John L. Lewis has only himself in 1931, as well as his report in 1924, to blame.

ADMITTING then, as we do, that the principle of unionizing men on a vertical or industrial basis, has nothing inherently wrong about it, we proceed to indicate the two qualities of C. I. O.-ism which have become the storm centers of criticism and attack. The leaders of C. I. O.-ism have it within their power to remove or reshape these qualities. Whether they will be willing to do it or not is another question.

The first objection leveled against C. I. O.-ism by the American public has to do with the personnel of too many of its outstanding leaders, organizers and agitators. Too many of them are not merely communistically inclined but are or have been members and workers and leaders in the Communist Party.

In 1935, when the Committee on Industrial Organization began its independent existence, it consisted of eight national and international unions with an approximate membership of one million. By 1937 these eight unions had increased to thirty-two and the membership had risen from one million to four million.

Surely, within the original eight unions and the original membership of one million, there were enough American union men and leaders and organizers, enough American labor lovers who rejected the political philosophy of Communism, to be entrusted with the job of organizing American workers in the mass industries.

Why, then, did John L. Lewis have to seek the aid of William Z. Foster, head of the Communist Party in the United States? Why did John L. Lewis have to put Communist agitators and organizers and leaders on the payroll of the C. I. O.? Once again, it is John L. Lewis who must take the blame for any criticism of C. I. O.-ism directed against this Communist personnel.

WE do not say that all organizers and agitators and leaders of C. I. O.-ism are Communists. We do say that there are too many of them! The Communists make no secret of the fact that they expect to ride into power on the backs of the labor movement in this country. They are interested in C. I. O.-ism, not because the C. I. O. brings any benefits to the American worker, but because they expect the C. I. O. to catapult them and their political philosophy into the seat of government.

That is what the **New Masses**, a Communistic weekly, meant when it said on April 6, 1937: "As the C. I. O. awakens and co-ordinates the working class, Lewis must either keep pace (and he has done so brilliantly up to now), or give way to more far-sighted men who will not be deterred even should Lewis suddenly cry 'halt' ".

Space does not exist to list every Communist prominently identified with C. I. O.-ism. Besides those listed below there are scores of others. The identification of these men, however, will justify the criticism leveled not against the abstract principle of unionism adopted by C. I. O.-ism but against the complexion of some of its personnel.

1. **Israel Berestein,** alias Boris Israel, alias Blain Owen; C. I. O. organizer among steel workers in Pittsburgh district. One time Pacific Coast representative of the Amtorg Trading Corporation, official trades agency of the Soviet government in the United States.

2. **Walter Reuther:** President of the United Automobile Workers Local 174. Walter and his brother Victor were in Russia in 1934. Later, upon returning to the United States, they enrolled in the Communistic Brookwood Labor College. The following quotation about Soviet Russia is taken from a message which Victor and Walter sent from Russia to two comrades in 1934; "We are more than just sympathetic toward our country (the Soviet Union), we are ready to fight for it and its ideals . . . Carry on the fight for a Soviet America."

3. **John Anderson:** Communist candidate for governor of Michigan in 1934 and organizer for U. A. W. Local 155.

4. **Nat Ganley,** alias Nat Kaplan: Member of the Communist Party of the United States; instructor at the Red People's School, in Detroit; once Communist District Organizer for Boston; Recording Secretary of U. A. W. Local 155.

5. **Maurice Sugar:** Representative of the Communist International Labor Defense; member of the Executive Board of C. I. O. in Michigan.

The foregoing names and facts are quoted from a pamphlet entitled **"Join the C. I. O. and Help Build a Soviet America,"** written by Joseph P. Kamp and produced by the Constitutional Educational League, Inc. of New Haven, Connecticut.

This pamphlet is an attempt to single out the Communist agitators and leaders and organizers who have attached themselves to C. I. O.-ism

(Continued on Page 14)

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Huge Party in Detroit Welcomes Fr. Coughlin

Celebrators Pack Floors Of Book-Cadillac Hotel

Typical of the "thanksgiving" parties that are being held from one end of the country to the other, Social Justice Councils of Detroit and their invited guests—to the number of 4,000 to 7,000—taxed the facilities of the hospitable Book Cadillac, Detroit's finest hotel, in a Twelfth Night welcome to Father Coughlin.

The hotel management had arranged with the hard working committee to accommodate an expected 3,000 guests, with assurance of facilities for an additional 500 or so in an emergency. The main ballroom and surrounding parlors were placed at the disposal of guests for dancing and cards.

At 10 p. m., shortly before the arrival of Father Coughlin for a brief personal greeting to his friends, all three of the hotel's big ballrooms had been impressed into use and cards were being played in all the available rooms of four floors! Word came to the committee that the hotel management was providing additional party facilities in the main lobby and the commodious coffee shop.

4,000 Cheer Fr. Coughlin

Packed into the main ballroom and every inch of the mezzanine balconies, an estimated 4,000 persons cheered Father Coughlin's address; other thousands heard the talks over a loud speaker address system.

Announcing that his first broadcast of the 1938 season would be heard on the following Sunday over a national network of more than 60 stations, Father Coughlin's response to the big demonstration was a plea for peace and "Social Justice for all."

"It is not our primary business to be interested in international justice, justice between nation and nation," Fr. Coughlin said. "But today we hear war drums beating their tattoos. We are being led on again into another world conflict by the same progenitors who led us into the last war that was to make the world safe for democracy.

"They will be preaching within a twelvemonth **that we should take up arms to make the world safe for peace.**"

In urging the elimination of hatred, Father Coughlin said: "Have no hate for the Russian, for the German, for the British imperialist, for the Japanese militarist or the Chinese peon. I have visited the peoples of the world and I have found them all good people. The only ones we can raise our voices against are those who have dragged them down into the Gethsemane of suffering.

"The Catholic must love the Protestant and the Catholic and Protestant must love the Jew and Hindu," he said. "There must be a flag of love unfurled. **Social Justice is for all.**"

New Writers Announced

Father Coughlin also gave this audience the first news of a list of famous writers acquired for an improved **SOCIAL JUSTICE.**

Hilaire Belloc, noted English writer whose work is frequently quoted in these columns; Prof. Frederick Soddy, economic authority, Dr. Edward Lodge Curran, Father Raymond A. McGowan, and the Rev. Peter Duffee, O.F.M., have all been signed on 52-week contracts to write articles for **SOCIAL JUSTICE.**

Father Coughlin was presented to the Detroit audience by Walter W. H. Baertschi of Maumee, Ohio, National Co-Ordinator of Social Justice Councils and president of Social Justice Publishing Co.

Mr. Baertschi declared that one of the main objectives of the councils had been achieved in the return of Father Coughlin to the nation's radio audience; the remaining, objective, he reminded all his hearers, is to put **SOCIAL JUSTICE** on a paying basis and return it to Father Coughlin with one million subscribers.

Priest Gives Talk On Social Justice

From the Catholic Transcript, Hartford, Conn.

"An enthusiastic audience of 100 members of the Assumption Catholic Men's club of Ansonia heard a splendid address on "Social Justice" by the Rev. Dr. John Loughlin of St. Thomas' Seminary, Bloomfield, on Tuesday evening of last week. Dr. Loughlin declared that there is a new spirit in the hearts of the working people in which they are becoming more conscious of their rights as human beings and begin to use their political liberty toward the attainment of economic freedom through the channels of democracy. The speaker said that individually the working man has little or no influence, but the combined opinion of several individuals carries weight and influence. It is for the good of working people, therefore, to organize into unions and to see that those unions have honest leadership. Dr. Loughlin spoke of the Catholic Church as the greatest opponent of Communism. The speaker was introduced by the Rev. Thomas F. Shea, club moderator. The Rev. William P. Kennedy, pastor, spoke briefly."

Activity in Fort Wayne

In an effort to co-ordinate the Social Justice activities of its neighborhood, the Fourth District Social Justice Club of Fort Wayne is desirous of a co-operative arrangement with other councils. John G. Golecke, 317 E. Woodland Ave., Fort Wayne, is secretary. The club desires to make contact with other Social Justice groups within a radius of 50 miles of Fort Wayne.

A recent party given by the club raised $17.50 for Father Coughlin's broadcasting fund, and a more ambitious party the first of the New Year was planned for Junior hall, at Berry and Harrison Sts., on January 15.

At one meeting in December the council added 53 members.

Springfield, Mass.

Social Justice Study Club No. 1 of Springfield, Mass., meets each Sunday evening at Hotel Worthy.

In Los Angeles

In Los Angeles, Calif., the Social Justice Council has selected the first and third Thursdays of each month as meeting nights. These sessions are held at McCormick's hall, 4601 Crenshaw Blvd. Attorney Anthony C. Kolda is moderator for Los Angeles county.

New Council In Passaic, N.J.

An ambitious little group of loyalists in Passaic, N. J., have organized a Social Justice council, 15 members at an early meeting reporting the distribution of 60 SOCIAL JUSTICE subscriptions. The Passaic group meets each Sunday afternoon or evening, and under their plan a different chairman presides at each meeting. In this way it is hoped to have a fresh viewpoint and new ideas. All interested persons in the region are invited to make contact with John Nicholas Scott, 284 Madison St., telephone Passaic 2-4193-W.

Party in Worcester

The Worcester Social Justice League was sponsor of a broadcast benefit party January 10, at Dexter hall.

N. Y. Council Sponsors Dance

Social Justice Council No. 2 of Washington Heights, New York City, is giving a social and dance on January 29 in the McKinley Temple ballroom, 454 West 155th St., Washington Heights. The purpose is to raise funds for Fr. Coughlin's broadcasting. This is the first social affair of the council, which was formed last fall. Patrick O'Malley is moderator and M. Burke, secretary and treasurer.

Minneapolis Party, Feb. 3

A dance and card party are planned by the Social Justice Council of Minneapolis, Minn., on February 3. The council has sponsored the printing of 2,000 booklets containing the poem "The Priest of Royal Oak," written anonymously by the "Vista Poet." Mr. J. J. Burns, 3833 15th Ave. So., is moderator.

A meeting of Social Justice Councils will be held at 7 p. m. Sunday, January 16, at the Calhound Commercial Club, Lyndale Ave. and Lake St., to organize the activities of Social Justice Councils in Minneapolis, St. Paul, and nearby communities.

In Stamford, Conn.

Members of the Bishop Gallagher Council for Social Justice in Stamford, Conn., invites anyone desiring to join the council to call the following numbers and leave their name and address: 4-4668 or 3-8991. We particularly wish loyal members of old N.U.S.J. units to make contact with us.

Minneapolis Party

A card party for "Social Justice" will be sponsored by the "American Scrutineers" at 8 p. m., January 31, in the Woodman's hall, 711 Broadway West, Minneapolis, Minn. Proceeds will be sent to the radio fund. Bridge, 500 and bunco will be played. Mrs. B. C. Sverkeson is chairman of the entertainment committee.

Jackson, Mich.

Proceeds from a card party at Jackson, Mich., were to be contributed to Fr. Coughlin's broadcast. Two hundred persons were to attend the affair at the Maccabee hall, 150 W. Cortland St., at 8 p. m., January 24. Henry J. Risch of Detroit, Michigan, state co-ordinator was to address the gathering. Mrs. Edna Landers is temporary president.

Baptist Minister Champions Cause

From the Sun, Lowell, Mass.

"Before 1800 spellbound persons in Rex ballroom last night, a Baptist minister championed the cause of a Roman Catholic priest when a joint meeting of Lowell and Lawrence councils of Social Justice was told that Rev. Charles E. Coughlin of Detroit, leader of the movement, was 'the one man who can lead us in the paths of truth and light.'

"Rev. Albert H. Adams of Bridgeport, Conn., was the speaker who eulogized the efforts of the famed Royal Oak, Mich., 'radio priest.' He described the priest as the 'clearest thinker' between the Atlantic and Pacific oceans and was to be admired as a man who expressed courageously his convictions in matters pertaining to the welfare of all the people of the United States.

"The meeting was a 'thanksgiving rally' in observance of the coming return of Rev. Fr. Coughlin to the radio and to his national newspaper, 'SOCIAL JUSTICE.' There were hundreds of visitors from out of town.

"The principal speaker was George Brown, Social Justice Councils director of Boston, who outlined the life of Rev. Fr. Coughlin and his aims as based on his radio broadcast series.

"Miles C. Hayes, New England co-ordinator of the Social Justice Councils, and Harold Rayburn of Boston, official of the organization, also contributed remarks as did George A. Hanna of Lawrence and Paul A. Sullivan, Lowell moderator."

Church School Has Praise for Social Justice

To the Editor:

In recent columns of your paper, you have given space to what we believed to be "adverse criticism" emanating from St. Joseph's College, School of Social Sciences, Philadelphia. I submit for publication in SOCIAL JUSTICE, the following unquestionably favorable observations concerning Father Coughlin, taken from the school paper, **"Loyalty and Service,"** January 10:

"It is with great pleasure that we welcome back on the air the Rev. Charles E. Coughlin. We rejoice for two reasons: first, because his reappearance gives back to the American people an outstanding teacher of Christian Social Principles, a patriot who will go down in history as one of the greatest of our age, and a priest whose heart beats in unison with the Heart of Christ; second, it clarifies the status of SOCIAL JUSTICE. This paper is again under his complete editorial direction. His 'repudiation of the statement contained in the November 29 issue' and his regrets over the remarks of 'misled local leaders' in stirring up opposition to ecclesiastical authority make SOCIAL JUSTICE worthy of our study. Thank God, that misguided friends have occasioned Father Coughlin and his cause no permanent injury."

I feel confident that SOCIAL JUSTICE will accord this item the courtesy of a consideration comparable to that which was shown the article of earlier reference.

—**Irma A. Tracy.**
Philadelphia, Pa.

Membership Drive On in Milwaukee

Social Justice Council No. 1 of Milwaukee, Wis., meets every second Thursday of each month at 2755 North Third Street at 8 p. m., inviting all interested in Fr. Coughlin and the Social Justice program to attend. L. S. Kronenberger, 3705 West Galena St., is senior moderator for Milwaukee which is in the midst of a spirited membership drive.

Threat of Probe Seen Challenge To Free Press

"From Michigan comes the published report of a request made that the Department of Justice investigate the newspaper **SOCIAL JUSTICE** founded by the Reverend Father Charles E. Coughlin and classed among those militant foes of the New Deal policies. A free press applies as much to the National Union for Social Justice as it does to a metropolitan daily. It entitles that group to have its own paper and express its own views. Are such independent papers, conscientiously devoted to expounding the principles of the organization they represent, to be harrassed because they differ from and criticize the administration?"—Hon. Fred L. Crawford, Representative from Michigan.

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Stalin and Hitler in Secret Deal

Anti-Semitic 'Purge' of Soviet Gives First Hint Of New Agreement Between Dictators

By Patrick Scanlan
Editor Brooklyn Tablet
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SO much is happening in Russia that it is impossible to know what it is all about. And yet no subject is of more importance to the world at large and every citizen within it.

Amidst all the reports and rumors, all the conjecture and prediction, one little but important matter seems to be coming to the surface. This is that **Stalin is no longer the friend of the Jew.** Recent events indicate he might be entering into a drive against the Jews, a drive which had its inception when he banished Trotsky, a drive which like all deeds of Stalin make the former Czars look like parlor reformers in their anti-Semitism.

THIS campaign of Stalin is just beginning. Responsible Hebrews in this country are becoming alarmed at the situation. John Dewey's recent flip is most significant. He has always been the mouthpiece of a special school.

Glance at these facts:

1. In the execution of the Commissars nearly every Jew from Kamenov and Zinoviev down has been shot. The only one left in a key position is a virtual prisoner no longer enjoying any liberty.

2. Recently 115 German Jewish doctors, whose passage to Russia from Germany was paid for by the American Joint Distribution Committee, have been arrested and as The Times states "are not allowed to communicate with or receive letters from their wives and children."

3. Yet in 1936 Ambassador Troyanovsky addressing a Jewish meeting in Manhattan stated that the Soviet government offered the only safe asylum to Jewish refugees from Central Europe. He referred to Biro-Bidjan. Now the daily press asserts, by way of Troyanovsky, that no longer will Jews be admitted to Biro-Bidjan because it has become a center of Japanese espionage.

4. A Russian correspondent in the Manchester Guardian for December 10th reports: 'I was literally shocked to see the brutality with which the Soviets of White Russia were literally exterminating the Jewish colonies."

Perhaps before long Hitler and Stalin will reach an agreement. Both hate Christianity; maybe a common detestation of Jews is likewise shared. Both tyrants see eye to eye on many other issues; both believe in government by murder, although Hitler favors slower and fewer executions.

Some time ago Stalin told the Communist inner circle that revolutionary means were no longer necessary. "Communism by attrition is a good program," he stated. And everywhere one looks he may note the program of attrition.

The other day the New York Times printed a short news article announcing a boycott against all Japanese goods. Alongside of the item appeared a five column advertisement of Chinese goods by Altman's. The presentation was significant.

When war breaks out anywhere the men of Moscow are on the job to serve their master. Aside from the Panay incident we as a nation have nothing against Japan. Unlike England, France and others, Japan owes us nothing. She is a big purchaser in the United States. She provides dollars and jobs for thousands of American workers. However, she is against Russia. She will not tolerate a Communist incubator next door.

At once a movement starts here for a boycott of Japan; anyone not agreeing with Russia must be boycotted. It makes no difference if thousands of people will be thrown out of work, if enmity will be spread, if war might eventually result. **It is part of the Red objective to create chaos everywhere, then the Communist may be able to take hold.** Russia stirred up the strife in Spain; Russia got Spain's gold; Spain's money was put to work in China.

And, of course, many are so dumb as not to see that Hitler, Mussolini and **all other dictators are merely a reaction from the deeds of those who preach chaos and teach class war.**

* * *

Communism was born in Russia in 1917; Fascism in Italy in 1922; Nazism in Germany in 1934. We do not want Moscow murder. **It comes as dictatorship OF the proletariat and winds up as dictatorship OVER the proletariat.** We stand for democracy as opposed to totalitarianism. We still favor and believe in rule by the people.

To wreck the democratic procedure is to install the dictatorship. That is the chaos which was attempted in distant lands and which has resulted in one man rule.

We think that we have the key to the situation by preaching social justice with peace and democracy. Communism thrives on social misery, Fascism thrives on social strife and the fear of class war. Abolish mass misery and you go a long way to abolish Communism because you stifle class war and when you abolish class war and Communism you have gone a long way toward abolishing and preventing Fascism.

An Incredible Story in Press Clippings

From an Editorial in The Philadelphia Record, September 14, 1937

"Here's how the money changers have leeched the monetary life-blood of the nation. The Federal Reserve Board increased reserve requirements by $3,000,000,000, **which is the same as burying or destroying that much money.** At the same time the Treasury 'sterilized' $1,400,000,000 of gold. The Social Security Board is collecting over $1,000,000,000 this year, which is deposited in the Treasury, and has the same **deflationary** effect upon our monetary system as increasing reserve requirements.

"Cash currency in the hands of the public is $6,000,000,000 in excess of normal requirements which can be considered as money hoarded and out of circulation. This makes a total of $6,000,000,000 tied up or out of use. The total of cash and credit currency (demand bank deposits) of the nation is about $33-billion. Tie up 20 per cent of this and you raise money rates and slow up business. The deflationary effect has demonstrated itself sooner than even we had anticipated."

From financial reports and stock market indices the citizens learned that by December 31, 1937, the market averages were deflated 34 points, with recovery power absent, and that stock owners had sustained a paper loss of $25-billion which just about wiped out the circulating cash and credit of the nation. The reports of the S. E. C. had revealed the significant fact that "insiders" were unloading large blocks of stock in pivotal issues at prearranged intervals to deflate the market and that they were repurchasing the stock at panic prices through their agents and gathering in the stock of the little fellows sold at panic prices; so that the insiders now control about 74 per cent of all stock outstanding.

Cable From London To New York Times, January 2, 1938

"According to the Sunday Chronicle, leaders of international Jewry will meet in a village near Geneva this week to devise a 'counter offensive' to anti-Jewish moves in Poland, Roumania, Germany, Hungary and Austria.

"A 'united front' composed of all sections of Jewish parties is to be formed. The great international Jewish financiers are to contribute aproximately $2,500,000,000. This sum wil be used to fight the persecuting states.

"The battle, it is said, **will be 'fought on the world's stock exchanges'.** Since a majority of anti-Semetic states are burdened with heavy international debts, the newspaper declares, they may find their very existenece threatened.

"A boycott throughout Europe of their export products by way of the retailer, may undermine the present uncertain economic stability in several anti-Semitic countries."

A persistent and significant question echoes through the canyons of "the Street":

Will the $2-billion Morgenthau Stabilization Fund be conscripted to furnish the bulk of the $2,500,000,000 referred to in the report of the London Sunday Chronicle?

Was the devaluation of the value of silver a preliminary move to free the stabilization fund for transfer to the field of battle and the first movement in the offensive to be launched against silver standard nations who are anti-Semetic?

It is estimated that foreign short and long term investments in this country total more than $8-billion. Large gold exports are pouring out of America on every ship bound for Europe. It is particularly significant that the bullion brokers of London had their representatives ready to attend the conference, which was supposed to have met in Switzerland.

It is regrettable that the economic, political, and social destinies of Americans are predestined, predetermined and disposed by the angels of finance who control America's wealth through a privately owned and operated Federal Reserve System which is allied with central banks throughout the world and receives its orders from the Normanesque Bank of England and the Bank of England-controlled Bank of International Settlements in Basle.

There is no doubt of the fact that the financiers who created the Bank of International Acceptance can confiscate the Stabiliaztion Fund of the United States Treasury to invest in a stock market war.

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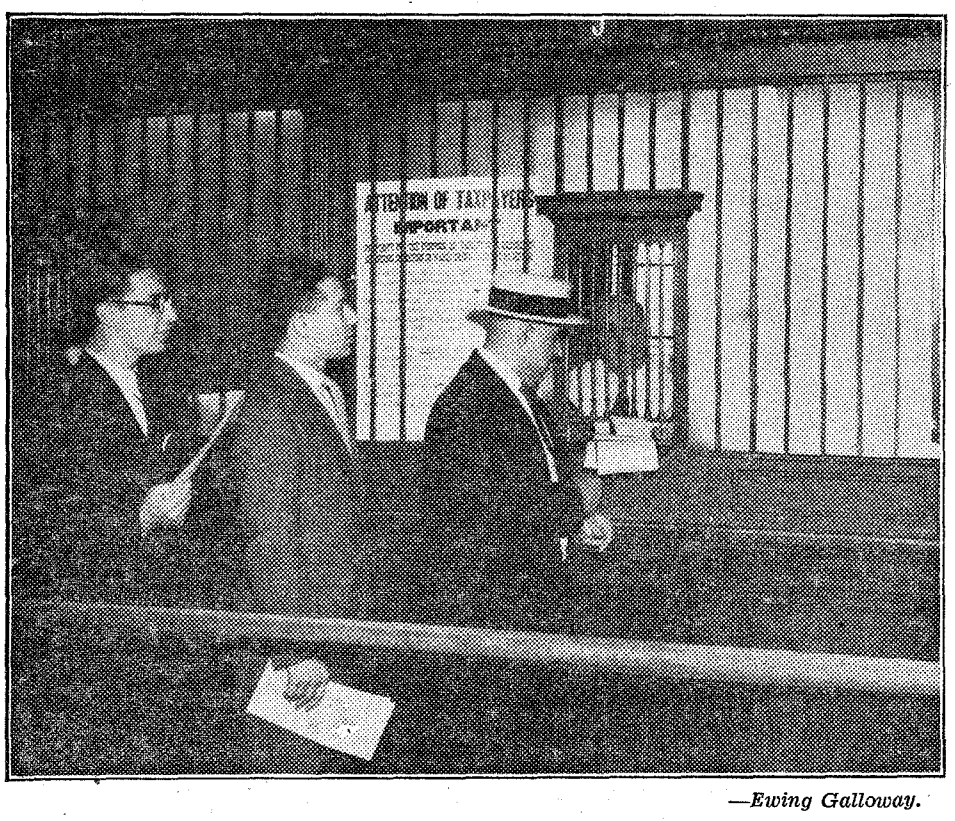
Taxpayers Must Pay the Piper . . .



—*Ewing Galloway.*

THE ancient and ignoble art of exploiting the people has a brand new votary—the government of the United States.

That, you may say, is impossible, inasmuch as the government is supposed to be the servant, the autonomous voice of the people in a democratic nation.

But it isn't impossible at all if you analyze the record of the last five years. Paradoxical perhaps, but not impossible.

For the government, owing to its great indebtedness, has adopted the tactics of modern capitalism and is enslaving the citizens it is supposed to serve and represent.

The present administration in Washington has played the role of a modern, political Frankenstein—and out of its alchemy has emerged a monster far more terrifying than the fictitious one created by the chemist in Mrs. Shelley's famous novel.

That monster is taxation.

The American farmer and the American laborer are exploited almost as much now by the government tax collector as they are by the captains of big business.

Cruel, crushing levies—both hidden and direct—have robbed them of their homes, slashed their incomes and placed a luxurious premium on the food they buy for their families.

Government taxation — federal, state and local—has risen 53 per cent since 1932. More than $12,500,000,000 in revenue was collected from the people in the year 1937—an all-time peak in the history of the country, good years and bad.

Meanwhile the public debt continues to climb and an estimated 10,000,000 persons are out of work as another depression has laid its hand on labor and agriculture.

Consumer taxes are the hidden variety—paid on the food you buy for your table, clothes, food, movies and so on.

A working man with an annual income of $960 pays to the government 12 per cent of it, or $116.04. If he makes $1,800 a year he shells out 12.7 per cent of his earnings, or $229.29. An annual wage of $2,400 is nicked for $300.

All in hidden taxes.

Don't think because your yearly earnings aren't enough for an income assessment that you are getting by without paying your share of the costly upkeep of New Deal government.

Just remember that the working people who own 10 per cent of the wealth of this country are paying 60 per cent of the taxes, while the ultra rich who own 90 per cent of the nation's wealth are contributing only 40 per cent.

—*Ewing Galloway*

The Assessor

Tax Arrears Cause Of One Farm Home

OPPRESSIVE taxation, together with a sharp decline in cash farm income, caused the loss of more than one million farms in the four years from 1933 to 1936.

This breath-taking fact is revealed in Circular No. 147 of the United States Department of Agriculture, issued in October, 1936, and entitled **"The Farm Real Estate Situation."**

The circular shows in Table 10, page 26, the number of farms per 1,000 which changed ownership during the four year period. The number of farms lost to their owners through tax delinquency, mortgage foreclosure and bankruptcy was as follows:

1933	54.1
1934	39.1
1935	28.3
1936	26.2
Total	147.7

The number of farms in the United States during this period was placed at 6,812,000. Thus, it will be seen that the total number of farms lost to their owners was 1,006,132.

One farm out of every six!

Federal Land banks, operating under the political control of the Roosevelt administration, have been among the worst offenders in foreclosing on farm homes.

Bear in mind that Federal Land

(Continued on Page 9)

Country in Crisis as Farmers, Laborers, Struggle Against Slavery

Mired by taxation and oppression, all but engulfed by the quicksand of exploitation and financial tyranny, the American farmer and laborer are today sinking nearer and nearer to the status of medieval slaves.

More than ever before in the history of the country, they are engaged in a death struggle to survive amid the decaying ruins of modern New Deal capitalism.

At least six million more persons are unemployed now than in the so-called prosperous days of 1929. And every 24 hours brings new recruits to swell the ranks of the jobless.

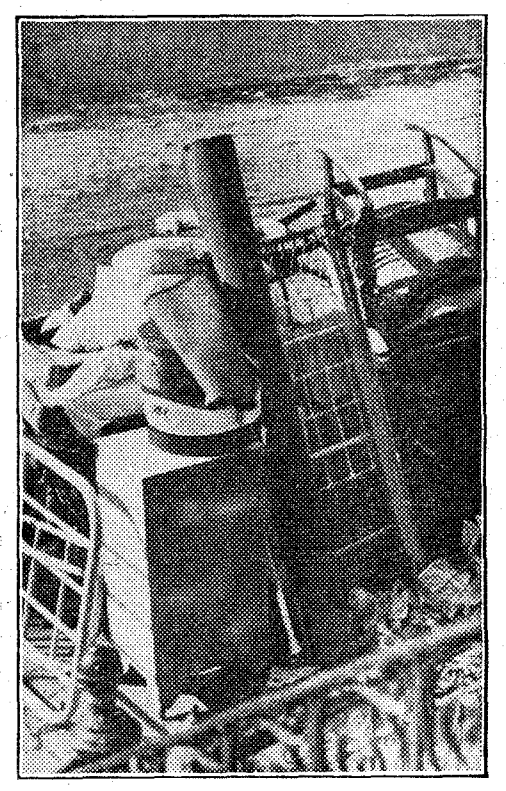
Yet—

Statistics compiled by the U. S. Internal Revenue Commission show that while the total average taxes collected from each individual in 1937 had risen 23½ per cent over 1929, the cost of living during the same period has decreased only 17½ per cent.

Government figures from the same source show that tax revenues for federal, state and local governments actually increased 53 ½ per cent between 1932 and 1937!

At the lowest point of the depression in 1932 the total amount of tax revenues stood at $8,147,000,000, while in 1937 it rose to an estimated $12,500,000,000—a gain of $4,353,000,000!

. . . Or Face



It is strikingly significant that tax collections reached an all-time peak in 1937 (almost three billions more than in the prosperous 1928-29 period) despite the recession which set in during the last four months of the year.

But it is even more significant that during the five years of the New Deal administration the proportion of revenues collected by the federal government increased in leaps and bounds while local governments collected less and less.

The percentage of taxes collected by state governments remained about the same during this period.

The result has been an increased dependence of near-bankrupt local governments on the federal government for relief funds.

And even while this transition is taking place, federal government spokesmen are raising a cry for a decentralization of the relief burden to local communities!

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Loss in Six

banks were set up by the Farm Credit Administration to save farms for their owners!

Meanwhile, public auctioneers of indebted property in cities and towns have not been idle. The Home Owners' Loan Corporation, another New Deal agency established to "save" the property of impoverished citizens, issued the following information as of November 30, 1937:

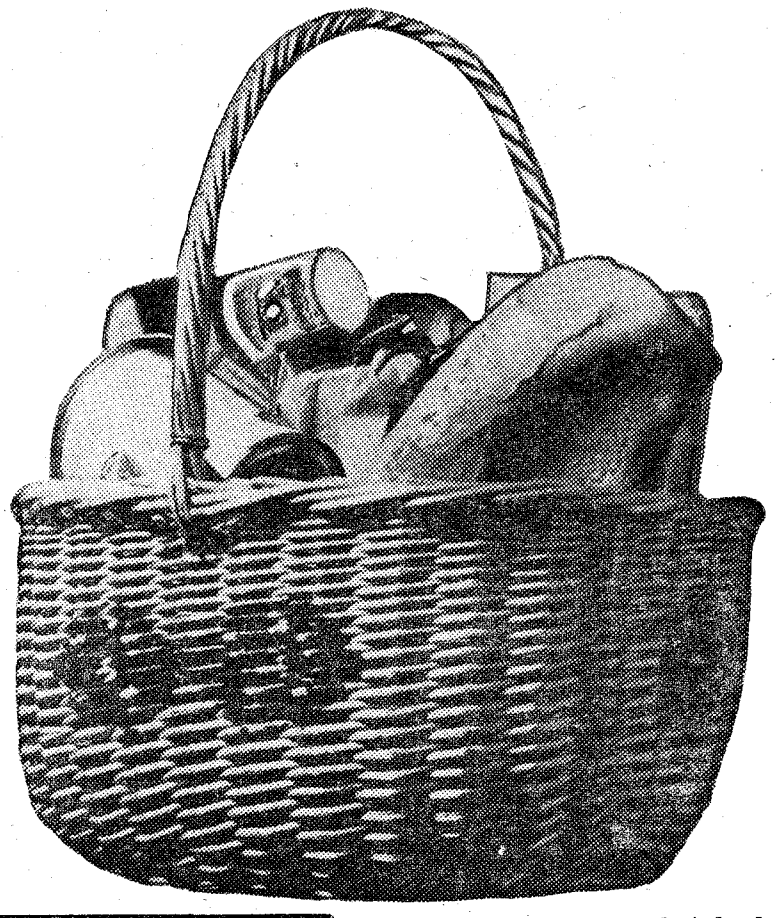
Number of authorized closures	**125,487**
Number withdrawn for various reasons	**9,699**
Total homes acquired by the H. O. L. C.	**67,028**
Number sold to third parparties at sale	**633**
Foreclosures pending before judgment or sale	**21,525**
Process of acquiring title	**26,602**
Completely paid up loans	**25,000**

We are informed by the Home Owners' Loan Corporation that their foreclosures are about the same as those of private mortgagors. The total value of home mortgages in the United States is about $18,600,000,000, of which the H. O. L. C. holds approximately $3,100,000,000.

The government's own figures show that foreclosures (federal and private) on homes in cities and towns numbered approximately 752,922 in the 18-month period ending with January 1, 1938.

More than a million farms lost in four years—three-quarters of a million homes in cities and towns taken from their owners in a year and a half!

What a sordid picture to visualize in a land of plenty.

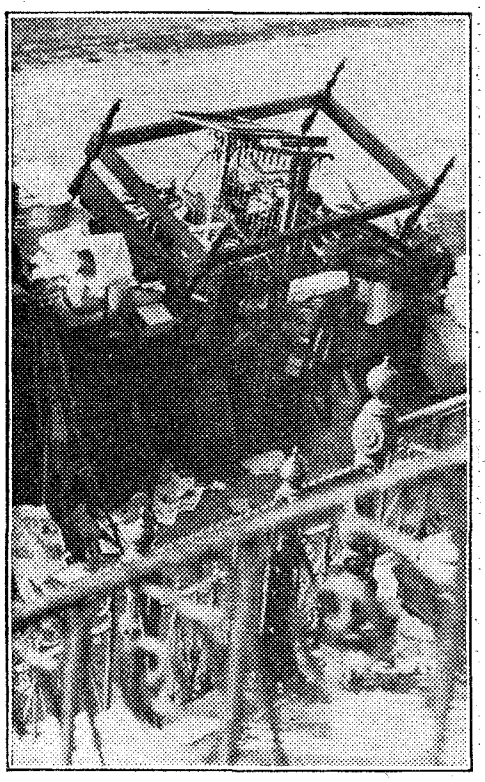


The nation's market basket is a rich medium of taxation for the government. Six out of every ten dollars in revenue comes from consumers' taxes and food is the principal taxable item.

—Ewing Galloway.

Taxes Crush People

This . . .



—Acme Picture.

Government Tax Collections

Year	Total	Per Capita	Distribution Fed.	State	Local
1913	$ 2,187,000,000	$22.66	30.6	13.7	55.7
1929	9,759,000,000	80.30	34.1	16.5	49.4
1932	8,147,000,000	65.19	22.0	20.2	57.8
1934	8,773,000,000	69.28	33.0	19.6	47.4
1395	9,717,000,000	76.20	36.5	19.3	44.2
1937	12,500,000,000	98.00	44.0	20.0	36.0

Living Cost

1913 Average—100

1913	100
1929	173
1932	139
1934	137
1935	141
1937	147

Itemized Living Cost

1913 Average—100

Year	Food	Clothing	Rent	Fuel
1913	100	100	100	100
1929	166	166	153	182
1932	104	127	123	165
1934	118	140	102	164
1935	127	140	103	162
1937	136	148	109	162

Farm Foreclosures Reduce Public Debt!

IN the department of agriculture's own report, "The Farm Real Estate Situation for 1935-36," you will find that in the four years beginning in 1933, one farmer out of every six lost his farm by mortgage foreclosures, tax sale, or forced sale.

* * *

DO you know that $1,500,000,000 of the reduction in farm indebtedness has been achieved by mortgage foreclosures, and that the farm credit administration has been one of the worst offenders in driving these farmers from their homes?

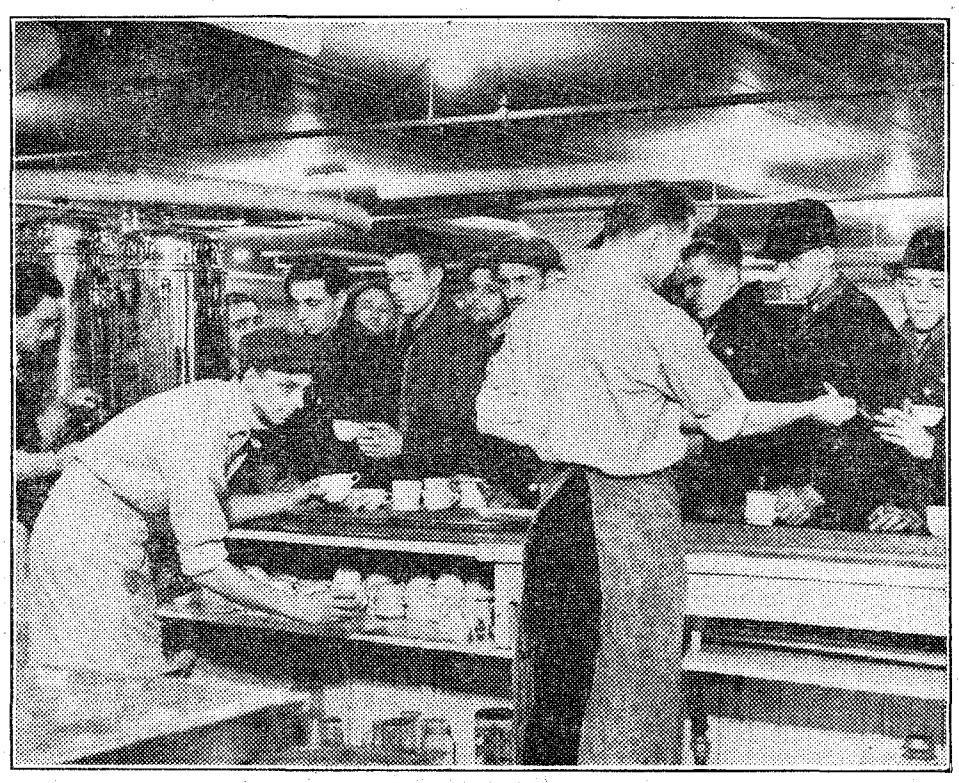
* * *

MORE than 100,000 families in cities and towns have lost their homes through foreclosure by another government agency, the Home Owners' Loan Corporation in a little over a year!

* * *

THE farmer who is fortunate enough to be still living on the farm is deeper in debt than he was four or five years ago. The average farm indebtedness has increased the same as the indebtedness of the government.

. . . Or Maybe Wind Up Here



—Acme Picture.

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Christian Life Challenge to Youth

Other Centuries Have Made It Work as An Every-Day Rule of Conduct; Success Counsel Answers Young Workers' Letter Last Week

By Prof. Horace A. Frommelt

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My Dear Young Friend:

We are all deeply indebted to you for the frank and direct way in which you stated the case for the young Christians of this generation. It is true, as you put it, that the world you have inherited is largely, a world that is determined to do without God. It does not, outside of confirmed and violent atheists, hate God. It simply believes itself superior to Him and as perfectly capable of conducting its daily affairs without taking Him into consideration.

I have had occasion before to refer to this conspiracy of the world to forget God as the heresy of Secularism, the utterly wrong and damnable notion that religion, for those who like that sort of thing, must be confined to Sunday and the sanctuary. As for Main Street, the shop, office or amusement place, man's relation and obligation to his God shall have no place. What happens, therefore, in the union meeting, in the director's office, in the factory between the management and men is no concern of religion, according to this heresy that does not exactly deny God but which would conveniently forget Him, and if possible, exclude Him from everyday affairs.

This is the world into which you and your friends are entering—a rather difficult arena, it must be admitted, for the Christian. Still, no more difficult for the young man who has inscribed his name on the banner of Christ today than for those of other centuries who successfully stood up against persecution of one kind or another for His sake. So it is for you to beat down this peculiarly vicious and difficult form of persecution with which the world greets you to-day.

It is for you, as Christian young men, to insist in your work as apprentices, as members of a labor organization, as employes that you, at least, shall not forget God. The world's determination to forget God, and to force that kind of a daily philosophy upon you, is the particular form of persecution that you of to-day are called upon to meet.

It is not an easy challenge.

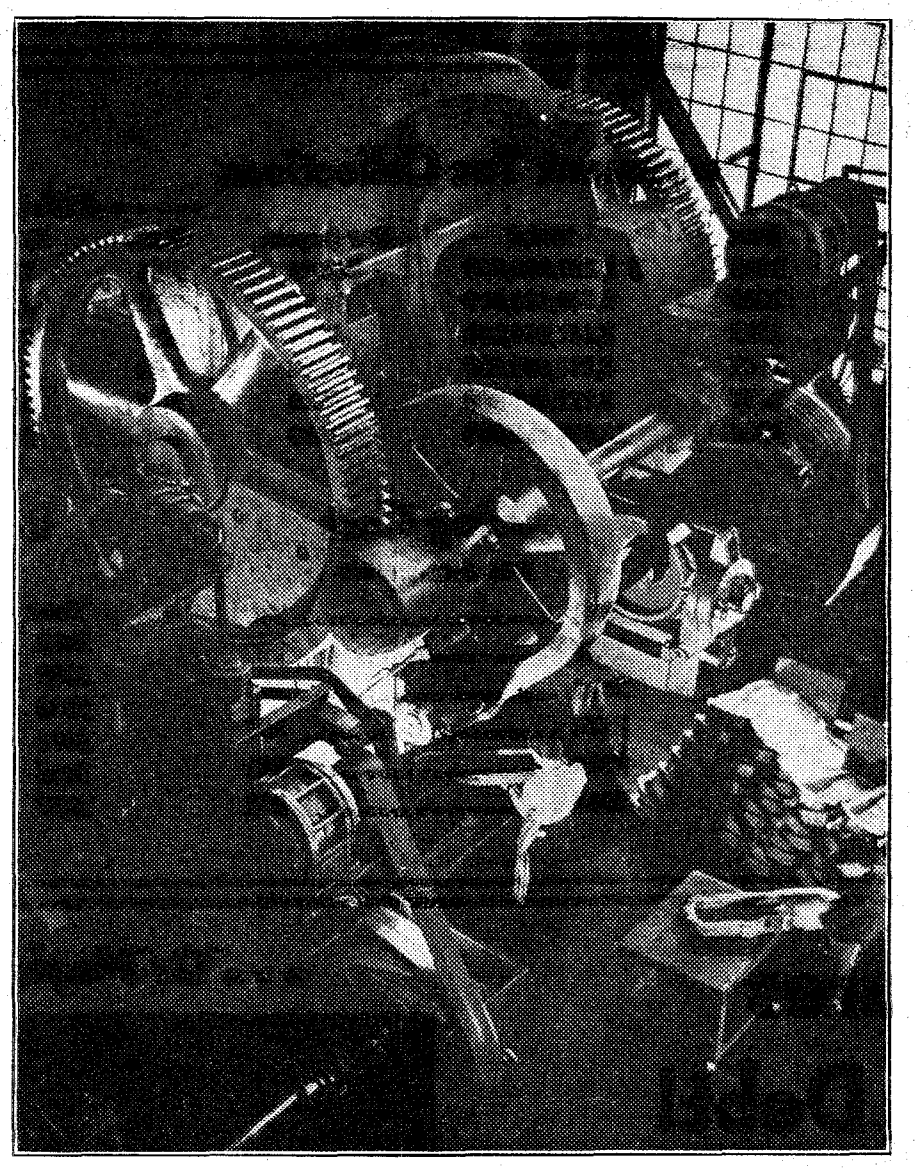
For four hundred years the Secularists and the worldlings have been preaching the gospel of Success without benefit of Christianity until to-day it is actually a religion. The Success-chasers have succeeded in making the world believe that, as you so well expressed it in your letter, "Christianity is only a beautiful ideal so far as a labor union is concerned —certainly nothing for its everyday work." And I can appreciate your state of mind when you ask, **"Can you imagine what the result would be if anyone of us rose to our feet in a meeting and demanded that we look at our organization problems through Christian eyes?"**

At no time in the history of man on earth were conditions as chaotic as at present. The world's way of doing things without God has spread failure and ruin everywhere.

Society disintegrates and civilizations crumble. In industry even the leaders are confused and confess they do not know the answer to a world half starved yet filled with the products of shop and farm.

The expert sociologists fumble feebly with so-called remedies as jails and asylums fill to overflowing with criminals and the mentally and emotionally sick and unstable. Statesmen have long since thrown up their hands in a gesture of despair as they fall back upon military machines equipped with the latest invention of science and the newest discovery of the laboratory.

Into this world of complete FAILURE you young Christians are entering, and not the paradise of success about which the Secularists have been shouting while attempting to keep up their courage. The last secular and worldly remedy has been tried. Untold wealth has been commandeered to keep civilization from going to pieces. **Now it is your opportunity, my young Christian friends, to propose in your labor meetings, in the shop and elsewhere, everyday and everywhere, the only remedy that can possibly bring relief and reasonable peace and welfare.** The chaotic world in which you live, the world of FAILURE and frustration is the world that the Secularists, the God-forgetters have fashioned. It is only Christianity that has not yet been tried.



Worker must avoid being Machine "Victim." The machine operator should study his machine and the place it holds in the scheme of mass production, in order to avoid becoming an automaton.

Machine Work Is Part Of 'Mass Production'

MASS production in the manufacturing world has made specialization of work and operations a necessity. When large numbers of the same kind of automobile engines are manufactured it obviously pays to assign each man to a certain small portion of the task on each engine. By repeating this same operation on a large number of engines he can do the work much more efficiently in time and total cost.

This has brought about the development of special machines and tools. Let us consider the fly wheel of an automobile engine. If this were machined as a single piece and without special equipment it might require as much as four or five hours to complete all the operations. But with the development of a machine which performs all the operations in one setting and which works simultaneously on as many as six fly wheels, the entire time for one piece is cut down to a small fraction of one hour.

The men who operate such machines as has been just described, and a great many have been developed in recent years, are special operatives who have been trained for just that job and no other. They have been trained to understand and operate some particular automatic or semi-automatic machine and therefore to do this work with all the speed possible.

Operators of this kind must not only know how to operate the machine entrusted to them but they should also know how to keep it going. In other words, they should know how it is constructed and what repairs are necessary. Even though this is entrusted to other specialists in some large plants, the operator should study his machine, else he turns out to be nothing but a small part of that machine. He is likely to become a mere automaton, a human being that moves automatically, and his chances for further development and promotion are practically cut off.

It were much better if every specialist in this line of work had a general knowledge and acquaintance with machine work and the trade as a whole. Then the operation of modern automatic machines would not be the blind alley job it so frequently is. It would be but a stepping stone to some higher position, such as gang foreman or inspector.

If you are contemplating choosing this form of metal trade work, consider the advantages of an all round training as a machinist to serve as a foundation for your future. If you have this foundation, you will open up for yourself a whole field of possibilities that otherwise might remain closed. Specialization is harmful only for those who have had no general training and education.

As a machine operator you must be capable of concentrating your attention on one job continuously for long periods, of performing one operation without fatigue or feeling of disgust and monotony. A general training and education in machine work is the best preventive against this. You will then be alert to the sequence of operations taking place around you, you will appreciate the underlying technical and engineering problems and you will be keen to make your job a stepping stone to something better.

For the young man who has a good mechanical sense and judgment and the ambition to study the principles of engineering production and observe their application in the work that is going on about him he has reason to hope for a good future. He must not be afraid to concentrate on doing one thing for long periods. Production work of this sort is easily subject to fluctuations in business and he must be prepared for depressions along with the good times.

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Hired Spies, Peril to Labor Rights

Nunn Finds Annual Income Slump Cushion

Men Happy Under Profit-Split System

"Recession Will Prove Soundness of Plan," Says Shoe Maker; Counsels Industry

MILWAUKEE, Wis. — The annual-income-for-labor system employed by the Nunn-Bush shoe company here is expected to carry the organization over the Roosevelt depression with little loss, according to Henry L. Nunn, company president.

Mr. Nunn, who founded the annual income system in his plant nearly three years ago, views the immediate future optimistically and advises other manufacturers to put the plan to work.

Derided by certain fellow manufacturers when he started the annual wage plan July 3, 1935, Nunn has seen his judgment verified in the company's ability to produce shoes at an equitable market price and earn a fair profit. Since the plan was begun, Nunn-Bush workers have received a paycheck every week, whether they worked a full week, three days, or did not work at all. And their annual income has been higher than the industry's average.

Provisions of Annual Income Plan

The Nunn system, which brought the **SOCIAL JUSTICE** laurel wreath to its founder, provides:

1. A "business partnership" between the company and its workers based on the belief that labor is entitled to a fair share of the value it creates.

2. A "group salary fund" into which is paid a fixed percentage of gross shoe sales receipts. The workers are paid out of this fund.

3. Workers are classified as to ability and importance of their tasks.

4. The year's business and receipts are estimated according to past averages and each worker's share of the profits is computed.

5. This sum is divided into 52 parts, and each worker is paid one fifty-second each week. During the year upward and downward revisions of the original estimates are made and the workers paid more or less than the original estimate, depending on business conditions and profits.

Under the Nunn system the workers are organized to share the management of the company. All differences between management and employes are ironed out in conference. If no agreement is reached, the dispute is referred to outside arbitration. The employes now pass on all hirings and discharges. They must approve a new worker and assent to all dismissals before they are executed by the management.

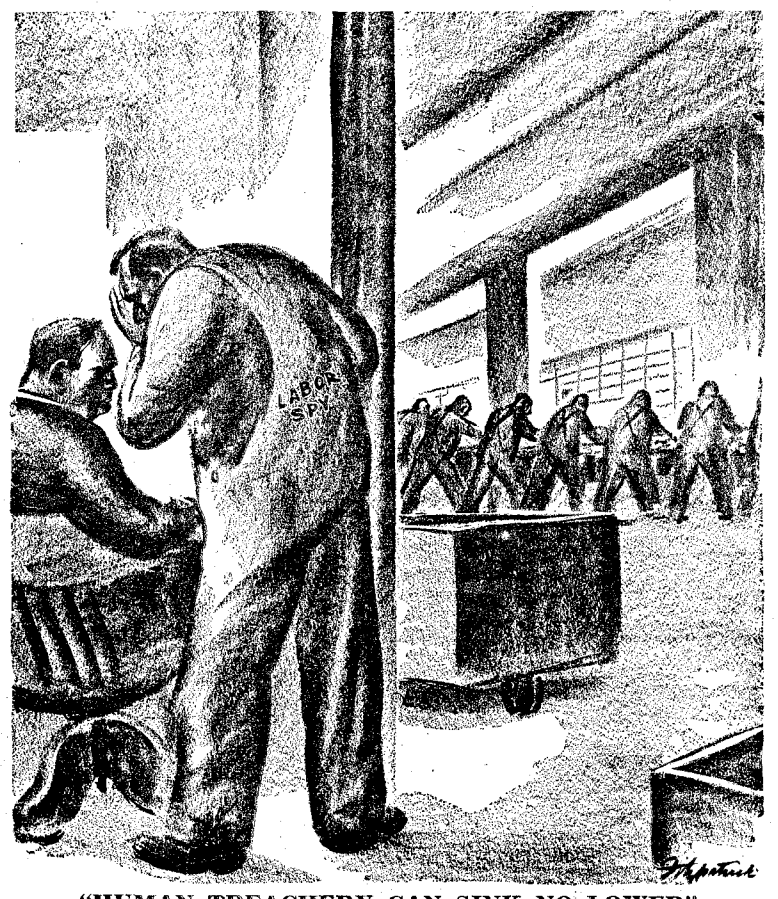
What will be the effect of the recession on the Nunn plan? Its founder believes the slump will prove its fundamental soundness.

"The workers do not carry the full load," he says. "As raw materials become cheaper we reduce our prices. We make price cuts also since we do not have to consider hour or piece wage rates. We maintain our average volume. That means steady work and an assured income. The more our labor produces, the more it earns.

"Men today want and expect to have some say about the conditions under which they work. All our wages, working hours and rules must be agreed upon by the company and its employes. . . "

The entire theme of Nunn's thinking can be summed up in his one sentence: "The way to beat hard times is to produce goods at prices the consumer can pay.

"Now that we have taken our labor into a partnership, we are no longer tied to high wage contracts. We don't have to shut down to await a more favorable labor market. **The chief concern of stockholders, management and workers alike is profitable production at prices the consumer can pay."**



"HUMAN TREACHERY CAN SINK NO LOWER"
—Senate Committee Report
—Fitzpatrick in St. Louis Post-Dispatch.

Reds Using CIO in Coup, Frey Charges

Cites Circular to Prove Communists Seek Control of Govt. Bureaus, Offices Through C. I. O.

WASHINGTON, D. C.—The Communist party is allying itself with the Committee for Industrial Organization in a plot to seize control of the United States government, according to John P. Frey, president of the Metal Trades department of the American Federation of Labor.

Frey, bitter foe of the C.I.O., based his charge on a questionnaire which he said was being distributed by the Central committee of the Communist party to its members who "hold official positions nationally, and in the several districts in which the party organization is divided." It seeks to learn, he said, what connections they have with governmental departments, and their labor affiliations.

In addition, **the document inquires into the governmental positions held by relatives of party members, Frey said.** This he interpreted as **a move toward domination of governmental bureaus and departments by the reds.**

Frey maintains that the Communist party is working hand in glove with the C.I.O. at the present time in an effort to form a "popular front" party composed of labor and farm elements. This political maneuver by the C.I.O., discussed at length in recent columns of SOCIAL JUSTICE, followed the bolt of the farm group from the Farm-Labor party as violence and communistic agitation in the C.I.O. ripped the party's ranks.

The proposed "popular front" party would be similar to the popular front moves current in loyalist Spain and in France, where Communism is making strong inroads.

"The C.I.O. is being used as a modus operandi to seize control of the government," Frey charged specifically. He partially absolved John L. Lewis from blame in the movement, saying that he did not believe "Lewis knows what is going on."

"The Communists look on Lewis with a good deal of suspicion," he said, "and they merely intend to use him."

Senate Committee Finds 2,500 Guilty of Snooping

Labor's battle for its right to organize has been beset, in at least 2,500 American industrial plants, by systems of labor spying, characterized by the Senate Civil Liberties Committee as "the lowest form of human treachery."

The committee, inquiring into vigilante activities in the nation's labor upheaval, affirmed that the list of those guilty of such treacherous labor practice "reads like a blue book of American industry."

The practice, the investigators reveal, is bound up with hostility toward labor unions on the part of certain employers.

Facts uncovered by the investigations of the committee accent the need of labor's rank-and-file to submit to close examination those who aspire to labor leadership. It was shown in the hearing that spy operatives, members of commercial detective agencies, arose to positions of prominence in certain unions for the purposes of betraying the rank-and-file to their employers.

Thus the policies of the labor spies are identical with those used by Communists, ordered from Moscow to "bore from within" to gain control of the nation's labor organizations as a means of furthering Communism's philosophy of hate.

Must Investigate Labor Leaders

"Large corporations rely on spies," the committee's report stated. "No firm is too small to employ them. From motion picture producers to steel makers, from hookless fasteners to automobiles, from small units to giant enterprises, there is scarcely an industry that is not represented" among the offenders.

Two of the nation's largest automobile manufacturers were listed among those hiring detectives. General Motors, the committee charged, had employed Pinkerton detectives to pry into the affairs of more than 250,000 employes through the country.

Spies Elected to Labor Offices!

The committee's report, in one section, declared that 100 Pinkerton detectives succeeded in having themselves elected to office in automobile workers' unions. **One spy was elevated to the position of national vice-president of the union he joined; 14 more became presidents of local unions, and 28 were made secretaries—advantageous positions in securing membership and dues data!**

The committee charged that 308 detectives were concentrated in unions to follow membership drives and to report on the nature and influence of union leadership. This bloc of "inside" men was aided by other squads working outside the unions.

The committee promised legislation to outlaw the use of the industrial spy. Enlightened employers already have sliced from their payrolls those hired for spy purposes. **But labor should be alert to the threat of continued spying, *just as surely as it should resist* Communist leadership.** It is certain that a goodly share of past industrial strife was cooked up by hired spies anxious to please their clients.

Communism Is Suggested by John L. Lewis

TUCSON, ARIZ. — "Communism may be the answer to our present-day ills"—

That's the opinion of John L. Lewis, chairman of the C.I.O.

Lewis, vacationing at the swanky El Conquistador hotel here, as his underlings struggle with the Roosevelt depression, gave his opinion guardedly in the course of an interview.

"I cannot say what may happen," Lewis said, "but I do know that some people have found they could live happily, successfully, in a communal form of government, in which the whole and not just a few were given consideration."

"Democracy is on trial in this country today," Lewis added.

Labor Headlines

WASHINGTON, D. C. — Half of Detroit's auto workers out of work, Homer Martin, U.A.W. president, tells Senate committee.

ST. LOUIS, MO.—Police arrest 20 C.I.O. members after Ford worker is burned with acid. . . . Raid on C.I.O. headquarters yields weapons.

CHICAGO, ILL.—American Public Welfare association dispels confusion about unemployment compensation insurance. . . . "Only a temporary relief, not a substitute for WPA or work relief," it cautions. . . . Says insurance funds need to be supplemented by direct relief.

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May We Have Your Views About Magazine Plans?

(Continued from Page 1)

2. The size of the page will be reduced to the **Collier** size or **Saturday Evening Post** size. The pages will be stitched together.

3. The size of type will be the same throughout as now used on the editorial page, so that older people can read it more easily.

4. More space is to be devoted to "The People Speak"—provided they speak constructively, criticizing the contents of the weekly review or on subjects of national importance.

5. Instead of sixteen pages there will be a minimum of 24 pages in **SOCIAL JUSTICE.**

6. World-renowned authors will be engaged to contribute, among whom will be Dr. Edward Lodge Curran, Peter Duffee, O.F.M., Richard McGowan, Hilaire Belloc, Frederick Soddy, Sir Hugh Walpole, John Farrow, Jesse DeBoth and others too numerous to list in this space.

7. An artist of high repute, whose name we are not free to mention but who is engaged in doing the beautiful murals at the Shrine of the Little Flower, will draw the front cover page each week.

Cost About Six Times Greater!

The thunders had rumbled. The lightnings had flashed. The above shower of information had descended upon our heads. Every member of the staff of **SOCIAL JUSTICE** was glad to be soaked with such progressive ideas.

Eventually the treasurer swallowed her Adam's apple and attempted to ask a question. After several assays she finally said: "But, Father, are all these gentlemen contributing their articles to you?"

"Of course not," he replied. "We preach the doctrine of an annual living wage. In this instance we are practicing it."

With trembling voice she broached a second question: "Will this new kind of paper cost more than the old?"

He answered: "Certainly it will—about six times as much."

Treasurer Has a Worry Session

The sympathy of all in the room was with the treasurer. Thumbs were down on the Reverend Editor and his idealistic dream. Quickly he sensed the situation and remarked: "There must be some way out of this dilemma. I refuse to be associated with that pulp paper production. Its contents are already too good for that type of paper. Its readers are too fine to be insulted week after week with a sheet the quality of whose paper is no better than that employed by a cheap tabloid."

Again the treasurer asked: "But, Father, please be sensible. We have difficulty in making ends meet as it is. Have you a solution that is practical?"

After another pipe-full, the Reverend Editor and Chief sat down. The following is the condensation of his remarks:

"I have always taught that there was plenty for all in this nation. There is, and we plan to have our share of it and to give our share of it to others. We will give our readers in the future better than we gave them in the past. We will assemble the best talent available in the English speaking world. We will use the best possible paper. We will increase the number of pages to 24 as a minimum—perhaps to 32 or 38 after some national advertising comes in to help bear our expenses.

Publish Twice a Month to Start

"I realize that national advertising will be slow. I realize that your treasury cannot stand this blow. Nevertheless, it appears to me that, with this wonderful advance, our readers will be glad to have this magazine printed once every two weeks instead of every week. They will be getting more than twice as much for their money—more pages, more articles, more authors, more money's worth.

"The subscription rate will remain the same—two dollars for the year. The newsboys on the streets who sell **SOCIAL JUSTICE** and who are establishing routes will charge ten cents a copy. They will have two weeks in which to sell their bundle. They will have twice as much to offer their customers. They will make nearly twice as much for themselves."

The treasurer then again remarked: "Why, Father, even that will not meet the added expenses which you are contemplating imposing upon us."

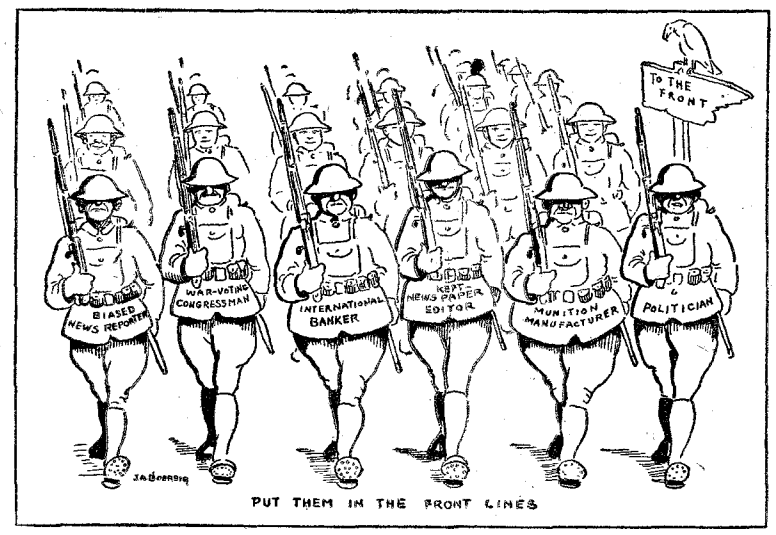
After this there came the reply: "I heard that story twelve years ago when I started broadcasting, namely, that I could never meet the expenses of buying time on all the radio stations. Where there is a will, there is a way. Let's go and do the thing and talk about it afterwards."

To the driving power behind this reply we did not feel equal to offer a contradiction. At this writing our sleeves are rolled up so are our objections.

The above article is submitted to all our readers. We hereby ask them to join with us in puting a brake upon this program or to join with Father Coughlin in giving him the "go-ahead."

Please address your letters directly to Father Coughlin and let him know your thoughts on this subject.

Perhaps, your reporter is too conservative. Perhaps, he hasn't as much faith in Father Coughlin's ability as you have.



U. S. Industry Able to Solve Own Problem

(Continued from Page 1)

accept the principles of co-operation and voluntarily accept the morality which distinguishes ownership and use.

"It is regrettable that so many industrialists fail to consider the historical development of economics, as they are inclined to oppose a reasonable voluntary and co-operative regulation of their industrial activities. After all, there are only two types of society that have existed since money was introduced into the scheme of the world's affairs—the capitalist civilizations of Greece and Rome, together with that of modern Europe and America, that did not control either currency or production; and the system of co-operation which functioned in medieval Europe and parts of Asia which controlled both.

"There is, historically, no third type of economic system, inasmuch as all systems evolved by man conform either to one or the other type, differing only to the extent that, in different nations, emphasis is given to different aspects of them.

"Regulated production and regulated money with which to purchase production are inevitables which will be imposed upon us either through the agency of Fascism or Communism or accepted by us voluntarily through the agency of democratic co-operation.

"It is my conviction that unregulated production has come to the end of its road—unregulated production under which factories operated for the annual profit dividends of the owners and the annual poverty lay-offs for the hourly-paid workers. So, too, has unregulated currency which permitted prices to fluctuate at the whim of those who defined money as a medium for profit and refused to accept it as a medium of exchange.

"Laborers of America, I have stood beside you ever since my voice was articulate. I will stand beside you tomorrow even though today you fail to applaud me for condemning the seizure and destruction of property and the program of five and ten cent hourly wage raises voiced by those who entertain that idle dream of reducing the government of America to the stature of a labor party.

"Long enough, to my mind, has our laboring class been victimized by speed-up systems and by modern inventions which should have been benedictions. Right-thinking industrialists who have accepted the ethics of Christianity relative to ownership and use; level-headed local bankers who are well acquainted with the barriers which confront us, and progressive legislators who are willing to face modern facts and problems—to these men we appeal in a practical manner to recognize the problem of distribution which is crying for a solution at our very doors.

"As an American I shudder to think of the atrocities committed in Spain, in Russia, in China and elsewhere. Millions of innocent citizens have fallen victims to the swords of class struggle and to the barking guns of radicalism.

"That must not happen here.

"Our America with all its faults must not surrender its traditions of the past nor its hopes for the future. Hand in hand and shoulder to shoulder industry and labor, therefore—at least its better elements—shall march through all difficulties, conquering every obstacle which impedes our progress and leaving for our children not only a better country than we found it but a model nation to become a pattern for the rest of the war-torn world."

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(City) (State)

SOCIAL JUSTICE Easy to Sell!

As an experiment, Mr. John Regan at Brockton, Mass., took 30 papers to sell opposite St. Margaret's Church, where it was claimed "there were no sales to be had." He disposed of the entire 30 papers at three masses, and the following Sunday, in a bitter snowstorm, disposed of 60 papers! This simply shows what can be done if the adult loyal followers of Fr. Coughlin will take it upon themselves to sell SOCIAL JUSTICE, rather than leave the job entirely in the hands of small children.

EYES *and* EARS

(Continued from Page 4)

By fitting these ideas together we can come to but one conclusion — that the New Deal is driving as hard and as fast as its leader can drive it to the opposite pole of liberalism.

The New Deal would make sovereign states subservient to federal government—in defiance of true liberalism and in definance of the Constitution.

The New Deal would concentrate power in the hands of one man through the bureaucratic departments at his command— as has been the effect or tendency of every major New Deal law or proposal. That was the effect of the N.R.A., the A.A.A., of W.P.A., and P.W.A. That is the result of the Wagner Act. That is the purpose and intent of the wages and hours bill, and above all, of the presidential proposal to "reorganize" the departments of government.

The New Deal would subordinate the Congress to the will, not of the people whom constitutionally they represent, but of the president. "Must" legislation and permissive legislation mean just that.

* * *

The New Deal would strike down the restraining hand of the Supreme Court, by packing it with six puppet judges. Although that move was blocked by the Congress, the intent was there; and the first appointment made by the president to fill a normal vacancy was far from auspicious or liberal.

If the N.R.A. and the A.A.A. had continued—if the wages and hours bill is revived and passed — if the Labor Relations Board continues its one-sided administration of justice —if appointments to the Supreme Court follow the pattern of the first appointment —ours would be in effect, if not in name, a Fascist government—far less liberal than the king's government against which the first modern liberals revolted.

How long are the American people to be deceived by the loose use of words and by their deliberate misuse?

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The People Speak....

They Are the Opening Words

To the Editor:

In your paper SOCIAL JUSTICE on several occasions, I notice references to "Quadragesimo Anno," and Rerum Novarum" Will you kindly translate into English?

—J. D.

New York, N. Y.

Editor's Note: The words "Rerum Novarum" and "Quadragesimo Anno," are the first words of the encyclicals they identify, just as the Lord's Prayer is frequently called the "Our Father" because it begins with that phrase.

"Rerum Novarum" (meaning "of new conditions") is the opening phrase of the encyclical on the Condition of the Working Classes, by Leo XIII, published on May 15, 1891.

"Quadragesimo Anno" (meaning "After forty years") is the opening phrase of the encyclical on the "Reconstruction of the Social Order," issued by Pope Pius XI on the fortieth anniversary (May 15, 1931) of the "Rerum Novarum."

Include Bishop In Applause

To the Editor:

I agree with Mr. Baertschi that we should and must join our applause for his Excellency, Archbishop Edward A. Mooney of Detroit. I hope that he will learn to love and appreciate Father Coughlin as we do. His teaching has meant so much to all of us who have heard him and listened with sincerity.

Weekly I procure several papers to distribute in order to get people interested in SOCIAL JUSTICE. I will soon have their subscriptions filled out. I assure you of my sincere co-operation.

—Mrs. Corinne Baillargeon.

Cohoes, N. Y.

Enthusiastic For Radio Lectures

To the Editor:

For a number of years, I have been an enthusiastic listener to Father Coughlin's broadcasts, and an ardent reader of your great weekly, SOCIAL JUSTICE. When it became known that Father Coughlin would not be on the air during the coming season, a large number of my friends and I were deeply grieved, because we knew that social justice which is sadly lacking in world affairs, had lost its champion.

More than ever are we convinced that Father Coughlin is the only man of our times who has had the courage to rise against the great financial powers and prove to millions of listeners that they, with their distorted, so-called capitalistic system, with their concentration of wealth and power in the hands of a few, are the creators of all the economic depressions that have thrown our civilized world into chaos and near-destruction.

Separated by two oceans from the war-mixing cauldrons of Europe and Asia, the Americas must safeguard against the intrigues of international financial powers, whose ambition it would be to make of this western hemisphere, a land of destruction and death. Unless there is a reform in our financial system, the Americas will soon be the prey of communistic revolutions, leaving ne'er a vestige of the liberties so well cherished by these American people.

The sixteen principles of social justice will have to prevail if we are to have liberty and peace in this land of plenty. And the man who has, for many years so strongly advocated them will continue to do so.

—Hector B. Sonier.

College Bridge, New Bruns., Canada.

American Jobs For Americans

To the Editor:

Two thousand dollars a year is enough for anybody, and everybody ought to get that.

Only citizens should be provided with work in this country. There are at present thousands of teachers in universities throughout the United States who are NOT citizens and never intend to become citizens. These teachers hold such influential positions that they, and their non-citizen office staff, are allowed to discharge American citizens and hire more non-citizens.

If all non-citizens would be dismissed there would be fewer Americans unemployed.

Americans cannot get employment in Europe, why do we have to give them our jobs here?

—An American.

Longmont, Colo.

Co-operation Should Not Mean Control of Congress

To the Editor:

Mr. du Pont's proposal to Mr. Roosevelt to swap three million jobs for legislation which du Pont desires should warm the hearts of those Americans who fear that the good old American spirit of giving, of helping the other fellow, has died.

I have always felt that when stress actually arose, when the government did need a helping hand, that some "big" man like Mr. du Pont would pop up with a suggestion, and save the country. Now, along comes the man who in the spirit of good fellowship says: "Let's let bygones be bygones, and all pull together. We all have a share in this great country, and it is our duty to get behind the ball."

Mr. du Pont, you're there.

But my solacing philosophy received an eyebrow raiser when I read that someone, poor soul, had commented that Mr. du Pont was setting himself up as an entity more potent than the United States government. This misguided person pondered over Mr. du Pont's remarks, decided that the whole thing smelled, that if Mr du Pont could buy the Congress of the nation by promising jobs to three million unemployed—a promise the ultimate of which is somewhat problematical—that other large industrial representatives could band together and also dictate to the president. Even the thought is abhorrent.

This fellow doesn't realize that co-operation should prevail among the representatives of government and industry. If in the process of this working together, the peoples' Congressmen and Senators must say, "Yes, sir," to Mr. du Pont, and take their reports on the state of the nation from Mr. du Pont's instead of Mr. Roosevelt, the fellow mustn't be alarmed. That's just co-operation.

To placate this questioning fellow who persists in his idea that Mr. du Pont's suggestion is odious, let me remind him that our government has "co-operated" before this. Hasn't Congress allowed the private bankers to take charge of the currency? And just have a look at our banking system at this moment. Isn't it lovely?

The people don't have to bother their heads about the whole matter. Quite gratuitously, the Federal Reserve and their friends have their men taking care of every detail. For instance, if these men feel that the people are flush on currency, lo and presto! they cut off the over-supply. And the people just go on working in their shops, factories, and offices, confident that their money making machinery is in good hands!

One parting word to this fellow: Americans always co-operate in the good old American manner with their government. It's the thing to do. Now, I don't want you to be offended when you find I disagree with you. The press is on my side, and there are very few who subscribe to your ideas. Some day your philosophy of what constitutes governmental co-operation may be discussed further. When it is, I shall be ready to listen.

—Walter T. Murphy.

Pittsfield Mass.

Enlightened Us And Other Peoples

To the Editor:

It is with joy that we receive the news of Father Coughlin's return to his people. We also thank you for your wonderful assistance to SOCIAL JUSTICE.

Enclosed find check for Father Coughlin's broadcasts. SOCIAL JUSTICE and the broadcasts have enlightened our people as well as those of other countries.

—Sarah V. Clark.

Brooklyn, N. Y.

Labor's Crisis Part of Fruits of C.I.O.-ism

To the Editor:

The blame for labor's crisis should be placed on the shoulders of John L. Lewis and the C.I.O. and the public officials who silently approved the sit-down and other illegal and lawless methods, to intimidate both employe and employer.

Importing mass picketing to stop employes and employers from entering their place of business; professional strikers throwing from 100 to 10,000 men out of work in one plant, forcing them by virtue of a tie-up to join the union rather than be unemployed, coercing others, using vandalism methods on those they could not otherwise influence.

Many of these men had been out of work for a number of years. Anticipating prosperity they went into debt, had their homes repaired, painted, or bought new homes, bought furniture, refrigerators, clothing, on the installment plan; they mortgaged the future because they needed those things. In addition to the high cost of living, due to curtailment, restriction and destruction of farm products, in addition to Social Security tax and other increased indirect taxes, they were obliged to cope with European importations

John L. Lewis and his cohorts in the C.I.O. knew these conditions — that the men would be in a desperate plight should a strike occur, with these burdens that had to be met weekly or monthly. He could thereby force them into his C.I.O. organization rather than sacrifice the loss of their property when they could not meet payments.

Through fear of the consequences, credit became impaired, accounts receivable could not be liquidated, inventories would not move and the people generally were afraid of the future. Millions of workers idle, the loss of purchasing power, and debt piling up — others anticipating a strike, hoarded to provide for the period when they would be out of work as a result of a called strike or professional sit-down.

Even though the same amount of money may have been left in circulation, the quantity seemed reduced because of the decreased velocity.

John L. Lewis took a trip to Europe in the summer of 1936 and Myron Taylor of the U. S. Steel Corporation was in Florence, Italy, at the time. They apparently agreed on the C.I.O. then.

When Lewis got the U. S. Steel Corporation on the dotted line, he demanded others to co-operate in the same manner. The U. S. Steel corporation had big war contracts from England and Europe—they did not want any labor trouble or turnover, so they agreed to recognize Lewis.

Since when can officials of the U. S. Steel bargain away the rights of collective bargaining of more than 100,000 employes to labor dictator John L. Lewis? What secret agreement have they? Why do not the steel workers exercise their rights and demand a vote?

If the U. S. Steel, which has always been hostile to organized labor, claims it is now friendly to it, why do not they, or their outside structural iron-workers of the American Bridge, a subsidiary, belong to the American Federation of Labor? They erect about 40 per cent of their work.

Mr. Lewis, do not pass the blame upon business and the economic royalists, as you and others call them. It is always necessary to find a scapegoat for your misdeeds, but any sane person who has America and American ideals and institutions uppermost in his mind, knows that you are greatly responsible for the workers' present plight.

—F. S. J.

Cleveland, Ohio.

Ex-C.I.O. Worker Rebels at Paying for Extra Bosses

To the Editor:

I am one of those workingmen who joined the C.I.O. during the auto strikes last spring. I was so convinced that there wasn't anything like it, that I even wrote you a letter, opposing your strong words against this organization, and canceling my subscription to SOCIAL JUSTICE.

Since all that happened, I have found plenty of time to give the question some serious thinking. In the first place our family was deprived of any income at all, while I was taking turns "sitting in" on the sit-down strike. In our plant, there was not a real sit-down as far as we men were concerned. We took turns, just as if we were going to work in shifts. It was confiscation, pure and simple, directed by our bosses in the C.I.O.

Now, our family is again without any income, while the high wages we sat-down for, are going in the form of profits to Wall Street or some place else. We cannot pay up our dues in the U.A.W. because we have no money to buy even bread. Of course, back dues don't worry me, because I now feel that I would not pay another cent into this organization, even if I had the money to do so.

I can see, as I began to see in the months after the C.I.O. strikes had been called off, that there is nothing of social justice for the workingman in this union.

In our factory, after the union "won out," a shop steward was placed in every department. Whenever the work seemed to be going a little bit faster than the steward thought it should, he would speak to the foreman, who would call down the line, and have the production slowed up to suit this fellow. Why the factory kept on the foreman after the steward came in, I don't know. All he did was take orders from this steward.

Now I would have no objection, if this steward were an intelligent, clean-looking American who seemed to be at least in one respect, superior to the men whom he ordered around. But he wasn't. In the first place, even his foreign accent failed to cover his inability to cope with English grammar. His gruff, unshaven, unpleasant face, and his overbearing manner, got on even my nerves, and I did not receive the education that some of the men who were working with me had.

I had no personal complaint, because he was considerate to me and to other members of the union; but the men who did not belong to the U.A.W. who worked on the line, were persecuted. The dirtiest jobs, at which we all used to take turns, were now always portioned out to the non-union members. The fellows who seemed the most intelligent, and the most educated were the ones that he made his special targets. And I would place any one of these men ahead of the foreigner who bossed them.

Nor was this true only in my department. Men all over the plant had the same experience, but like myself, they were obliged to keep still and take it and pay up, or else get out. And like me, they had families to support and could do nothing.

If there is ever a union formed to really help the workingman, and to promote social justice, I shall be glad to join up. Until that time, I shall never join another labor union. If I have to put up with foreign bosses who are inferior to the men working under them, I shall do so, but I won't go out of my way and pay money for the "privilege."

One who for safety's sake prefers to be known merely as

Disgusted.

Detroit, Mich.

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No Recovery Without Monetary Reform

Story of Bank-Created Depression Is Same For 1893-1921-'37

By Robert H. Hemphill

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ON March 12th, 1895, eight days after President Cleveland took office, the National Bankers' Association sent out a circular letter to its members:

"Dear Sir—The interests of national bankers require immediate financial legislation by Congress. Silver, silver certificates and treasury notes must be retired and the national bank notes, upon a gold basis, made the only money. This requires the authorization of $500,000,000 to $1,000,000,000 of new bonds as a basis of circulation. **You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential business men.** Advocate an extra session of Congress for the repeal of the purchase clause of the Sherman law; and act with other banks of your city in securing a large petition to Congress for its unconditional repeal, as per accompanying form. Use personal influence with congressmen; and particularly, let your wishes be known to your senator. The future life of national banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of governmental legal tender notes and silver coinage."

The banks did as they were told. Renewal of loans was refused, and although their reserves were adequate, new loans would not be considered. The imaginary money, bank deposits, shrank rapidly and the great panic of 1893 ensued with widespread unemployment and distress, bankruptcies and loss of property.

Panic Created In Midst of Plenty

In August, President Cleveland said:

"Our unfortunate financial plight is not the result of untoward events, or of conditions related to our national resources; nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment and with satisfactory assurance of business enterprise, suddenly financial distrust and fear have sprung up on every side."

At about the same time, Senator Hill of New York on the floor of the Senate said:

"The bankers inaugurated the policy of refusing loans to the people even upon the best of security, and attempted in every way to spread disaster throughout the land. These disturbers—these promoters of the public peril — represent largely the creditor class, the men who desire to appreciate the gold dollar in order to subserve their own selfish interests; men who revel in hard times; men who drive harsh bargains with their fellow-men regardless of financial distress, and men wholly unfamiliar with the principles of monetary science."

President Cleveland and many members of the House and Senate knew exactly what had caused the depression, but the influence of the banks was so great that newspapers were afraid to publish the information, and the people who were thus exploited and punished so that the bankers and entrenched groups who own the banks could exact a higher toll from the industry and labor of the country, never knew.

Bank of England Plans Post-War Slump

IN 1920, after the World War, the Bank of England under pressure of the entrenched bond-holding classes, brought pressure on the commercial banks of the British Empire to curtail credit in order to "bring down the high cost of living".

They sent a delegation here to America, and with some of their American associates among the international bankers, who control some of our largest banks, they proposed that the Federal Reserve Board should likewise bring pressure on the American banks to contract the supply of our principal medium of exchange, bank credit, and bring on a depression here in order to induce a general fall in prices.

I will pass over the collapse of 1929 to 1933, the bottom of the depression. About one-half of all our banks had gone bankrupt or were absorbed by the survivors. With these failed or absorbed banks, there had gone from the banking system its most useful banks and liberal managers. Only the "conservative" bankers were left. Ignorance and timidity had saved these men and their institutions, but only because a complaisant president and Secretary of the Treasury had opened the doors of the National Treasury to them through the Reconstruction Finance Corporation.

Gain Keeps Pace With New Credit

THE government, through its various programs began putting into circulation additional bank deposit credit **and business has responded in exact ratio.** With the improvement of business, however, the government began an ever increasing and vicious tax policy. By the closing months of 1937 it was withdrawing money from circulation about as fast as it was introducing new money.

The expansion factor of our activity ceased immediately, and we would have had some recession in any event, but this was hastened by the unintelligent action of the Federal Reserve Board, which selected this inopportune time to raise the reserve ratios of the commercial banks. A large number of banks had to sell some of their bonds to meet this reserve requirement. **These bonds were sold, of course, to depositors, and the sale of every million dollars worth took out of circulation a million dollars in checking accounts and reduced the national income 3 million dollars!**

Now I want to ask you, in all candor and consideration for every interest, is it intelligent for this great nation, concerned with the important problems of production and distribution, with natural and developed resources ample to guarantee every man, woman and child a great abundance of all the facilities for a much higher standard of living than we have ever attained, to continue our attempts to achieve general prosperity, when the controlling factor, our national purchasing power, is completely controlled by this glorified racket, the commercial banking system, which can and does expand or contract our purchasing power without our consent and without reference to our needs or desire to attain full production?

FACTS . . .

By Dr. Curran

(Continued from Page 5)

with the ultimate dream of forcing the C. I. O. to do their communistic and revolutionary bidding.

ONCE again, it is necessary to repeat that neither the writer nor the American public is against the principle of industrial unionism. But both the writer and the American public resent the presence of so many Communists in positions of C. I. O. leadership and control. And once again, Mr. John L. Lewis must take the blame for all criticism proceeding from this source. He need not have employed the services of Communists. And he need not continue their employment.

The second objective of criticism against C. I. O.-ism flows from the first. Whatever violence and bloodshed and illegal disorders the C. I. O. has been guilty of in its endeavor to organize the workers, have been produced by Communist agitators on the theory that the end justifies the means. This is a false and unethical principle of activity. It is, however, the dominant prinicple in all Communistic activities. For a Communist anything done to advance the cause of Communism is right, even though it mean bloodshed and trickery and lying and treason.

We condemn any employer who guides his industrial life on the false principle that the end justifies the means. And we likewise condemn Communism for similarly adopting and executing it.

The Papal Encyclicals, the greatest labor charter ever possessed by the American workingman, condemn violence and the iniquitous principle that the end justifies the means. This wilful and wicked principle of activity, the heart and soul of all Communistic activities, explains why innocent American strikers were goaded on to indulge in violent activities that unfortunately robbed them of much sympathy on the part of the American public to which they were entitled.

And again, John L. Lewis, by placing Communist organizers and agitators on the payroll of C. I. O.-ism, must take the responsibility for many of the disorders and for whatever loss of sympathy and co-operation C. I. O.-ism may have suffered in the mind of the general public.

WHAT remains to be done?

Since John L. Lewis is the great high priest of C. I. O.-ism we shall direct our recommendations to him. First of all, C. I. O.-ism must be kept American. **That means, Mr. Lewis, that you as the head of the C. I. O. must come out publicly and courageously in a clear and firm repudiation of Communism.** You did it when you were only the head of the United Mine Workers, in 1924. You must do it again, in 1938.

Secondly, Mr. Lewis, **you must discharge from the payrolls of the C. I. O. every recognized member of the Communist Party** and every agitator, organizer or leader whose first devotion is to the cause of Communism and who only uses C. I. O.-ism as a means to bring about the violent overthrow of our American government.

There are Communist members in C. I. O. Locals as there are Communist members in A. F. of L. Locals. **We are not referring to members in the ranks. We are referring to those Communist leaders and organizers and agitators whom you employed and who will wreck the C. I. O. movement if they are still permitted to control.**

The principle of industrial unionism is sane. Workers must always be given full freedom to organize in unions, craft unions or industrial unions. These are the two types of unionism acknowledged by law and acclaimed by lovers of labor everywhere.

The criticism of the American public is not directed against the principle of C. I. O.-ism or against its forms of organization. It is directed against any and all Communistic personnel in control and against any use of the immoral principle that the end justifies the means.

You, Mr. Lewis, have the power and the opportunity to silence all criticism and to keep C. I. O.-ism American.

As one American to another, Mr. Lewis, and in the name of one hundred and twenty millions of our fellow Americans, who will defend American democracy against Soviet tyranny and Communistic ruthlessness to the death, I ask you to remember your American leadership and to repudiate Communism with all its works and pomps.

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Private Issue of Money

A Chance Result of the Bank Check System

By Frederick Soddy, M.A., F.R.S., Oxford University.

(The creation of money is no fiction—best attempted apology for private system offered by financial publicist.)

NO doubt there are still many people, if not the majority, who will be frankly incredulous that money, vastly exceeding in amount the total national money can be, and is created and destroyed by, the money-lender with a stroke of the pen. How frequently does one still read in the press that the banks can only loan their customers spare money!

Most people still think of what money once was, "a public instrument owned and controlled by the state." They naturally conclude that those who essay the thankless task of looking at the question from the national standpoint cannot understand it themselves. For this incredulity there is, however, no justification.

The main facts are in no dispute. They are set forth clearly in all works on money. If the uninstructed reader wishes to read the best attempted apology for the system he is recommended to the works on the subject by Mr. Hartley Withers.

The point of view is that of the enthusiastic financial publicist, who sees the great rise of prosperity not in terms of invention, diligence and energy, but in terms of money, and to whom the marvelous growth of recent times is the effect rather than the cause of the wonderful banking system, particularly the British banking system, not to say the London banking system.

A few paragraphs may be cited **(The Meaning of Money, chap. v, "The Manufacture of Money"):**

> "The broad conclusion arrived at is that banking deposits come into being to a small extent by cash paid into banks across the counter, to a larger but still comparatively small extent by purchases of securities by the banks which create book credits, and chiefly by loans from the banks which also create book credits.
>
> "There is nothing alarming in the conclusion, though people who have been accustomed to regard bank deposits as so much cash paid in are sometimes startled when the other side of the matter is put to them, and feel that banking credit is a kind of questionable conspiracy between banks and their customers. A little reflection shows that it is a beautiful piece of evenly working mechanism, by which coin is economized and a perfect currency is provided with extraordinary ease and cheapness. Nor need any sense of disillusionment be felt when it is realized that bank deposits, in so far as they are borrowed, are evidences of indebtedness quite as much as of wealth.
>
> "Everybody knows that in all long-established, well-ordered and industrious communities vast stores of wealth are accumulated; and, even if they could be heaped up in banks and expressed in figures, nothing would be gained by the information. But the contemplation of this mass of indebtedness, and of the check currency with which it is passed from hand to hand, is novel, stimulating and unique. It is a wondrous example of human ingenuity applied to the cheapening and furtherance of trade, finance and speculation. There is nothing quite like it anywhere else, and its development has only been rendered possible by the confidence, based on solid experience, of the majority of Englishmen in one another's commercial probity, and readiness to carry out a contract at all costs.
>
> "The only defect in the system is its perfection."

Mr. Withers warns the uninitiated that bank deposits include deposits proper, in which the money is really deposited and cannot be taken out except after a stipulated time, and current accounts in which the money can be drawn at will by check. He then shows how the greater part are created by loans. He takes the latest (1909) available balance-sheets of half a dozen of the biggest joint stock bankers and puts their figures together, with the result that "the greater part of the banks' deposits is thus seen to consist, not of cash paid in, but of credits borrowed. For every loan makes a deposit, and since our balance-sheet shows 180½ millions of loans, 180½ out of the 249 millions of deposits have been created by loans."

So capable an authority at least must be respected even by those who still pretend to believe that the banks only lend their customers' unused money. Indeed, to some people it seems sufficient to prove this that a bank's balance-sheet balances. Whereas, of course, when a bank credit is created, both sides of the balance-sheet are written up to the same extent. It is not merely the old lady of fable who overdrew her account and sent her banker a check for the amount. Her misfortune was merely that she was not her own banker.

The following quotation from **The London Times** should convince the most sceptical: ". . . Issuing houses and underwriters must remember that capital available for investment is not, like bank credit, a thing that can be manufactured by a book-keeping entry; it can only be provided by genuine savings."

(From "Wealth, Virtual Wealth and Debt," by Frederick Soddy, M.A., F.R.S., University of Oxford, published by E. P. Dutton & Co., Inc., New York.)

The Searchlight

Banks Make Serf of Industry

INDIANAPOLIS, IND.—Dr. H. S. Person, secretary of the Frederick Taylor Society of New York City, told the American Association for the Advancement of Science recently that the "financial capitalism now in effect in America is exploiting industry and is making it its serf. It guards the power it wields as jealously as the Southern planter guarded his slaves, and for the same reason. The attitude of the financial capitalists, in taking advantage of their control over industry leads to the disappearance in the central market of automatic adjustments, to price controls and rigidity in the price structure, maldistribution of the social income, impaired purchasing power and similar obstacles to a realization of the benefits of progressive technology."

Reduced to the language of the street, this means that the financial capitalists—those who control our money system—are holding back true economic progress and making a slave out of industry for only one reason — profits, profits and more profits. We have been maintaining for a long time that industry is being strangled by the same financial forces that exploit labor.

$24½-Billions All on the Books

WASHINGTON, D. C.—According to an annual survey by the American Bankers' Association, savings deposits on June 30, 1937, amounted to $24½-billion. Gullible people believe this amount of money actually exists in the banks, but those who know the facts realize there is only $6-billion in currency and the rest is only "bookkeeping entries." Is it any wonder that panic and fear and depressions can be engineered by a few international bankers because there is not enough money in banks to pay depositors? The average per capita savings amounts to $191. In 1933—the bottom of the depression—the per capita savings amounted to $168, so we haven't advanced so far despite the $18-billion of interest-bearing fiction money the government borrowed from broken-down banks.

Why Must Money Issued by U.S. Bear Interest? Letter Asks

165 Pierce Road,
Weymouth, Mass.
Jan. 3, 1938.

Mr. Wayne C. Taylor,
Assistant Secretary of the Treasury,
Treasury Department
Washington, D. C.

Dear Mr. Taylor:

I am enclosing page 15 of the January 3rd, 1938, issue of **SOCIAL JUSTICE** (Father Coughlin's Weekly Review), a paper, I am told, that has a circulation in Massachusetts alone of more than 168,000. I mention this to give you some idea of how careful you should be in your use of words, as noted in your letter of November 23, 1937, to Mr. Dalrymple (published in **SOCIAL JUSTICE**) in your attempt to clarify a letter dated October 13, 1937, from the Treasury Department to the same gentleman, apparently on the same subject.

I am inclined to agree with **SOCIAL JUSTICE** when they say that in your use of the word "cash" you actually meant, and should have used, the words "bank credit," particularly in view of the statement from the Treasury Department that there is only approximately $6-billion of so-called "cash" in the entire country. I say so-called "cash," because of Governor Eccles' (of the Federal Reserve Board) statement, that only about one and one half billion of that amount is lawful money. It must also be admitted that there is a vast difference between "cash" and "bank credit." The difference was very forcefully and cruelly brought to the attention of the unsuspecting, misguided American public in 1929. Also note Congressman William Lemke's statement that "bank credit" is "hot-air" money.

Is Our Money System Honest?

I do wish, Mr. Taylor, that you would enlighten me on this all-important subject, if you can do so without actually jeopardizing your future services with the Treasury Department. In any event, please let me know if you should have used the words "bank credit" instead of "cash" in your letter to Mr. Dalrymple.

Will you also, in your capacity as Assistant Secretary of the Treasury, advise me if this government is actually operating under a dishonest money system; and if it is—Why?

If it is not, why are so many honest, clear-thinking economists able to definitely say that our monetary system is corrupt, immoral and dishonest without the slightest fear of contradiction. Father Coughlin, for one, presents facts and figures (in his book, **"Money, Questions and Answers,"**) to prove the correctness of his amazing statements.

Why is it, Mr. Taylor, that the Federal Reserve System, which is a privately owned and operated concern, has the exclusive right (which I presume they have) to circulate unlawful money, and no other person or concern may acquire that right, not even a sovereign State?

Why Must Money Yield Interest?

Will you tell me why, if this government can issue, say Five Billions of Dollars in interest-bearing bonds, that they shouldn't issue instead a like amount of non-interest bearing currency, as money is in no sense wealth, but only a receipt for wealth, and both currency and bonds are merely promises to pay? In the issuance of interest-bearing bonds, as I understand it, the bankers receive the benefit of the people's credit—a transaction ordinarily looked upon as usury; while the issuance of non-interest bearing currency, having the same backing as the bonds (United States government), the people will have the benefit by a saving to this nation of the colossal sum of $1-billion, 80-million per year as shown in the **Report of the Treasury Department.**

Are the bonds really issued to allow the usurers or money-changers to exploit the credit of the real wealth of the American people? Is this the real reason why leaders of thought, of truth, of Christian principles and of Democracy, like Father Coughlin, can truthfully say, without fear of contradiction, that our present monetary system is corrupt, immoral, dishonest and deliberately shrouded in mystery?

To my mind, Mr. Taylor, this statement of yours glaringly reflects, not only on our monetary system, but also upon the Treasury Department, who have it within their power to correct abuses and recommend remedial legislation, all of which has not been attempted so far as I can learn.

I will thank you, however, if you would give me a clear-cut reply to my questions, particularly to the question of "bank credit", which in many quarters is causing so much confusion, bitter criticism and financial distress, and in other quarters is causing so many laughs.

Yours very truly,

Miles C. Hayes.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

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R.F.C. Loan "Write-Off" Appeal Move to Aid Morgan Bankers

Proposal Recalls First Loan by Jones Agency Went to Financial Czar

WASHINGTON, D. C.—The House of Morgan is supposedly behind efforts of Jesse Jones, chairman of the Reconstruction Finance Corp., to "write off" $2,675,000,000 in bad loans made by the RFC.

And thereby hangs a tale which didn't come out when Senator Burton Wheeler of Montana recently accused the Morgan partners and Kuhn, Loeb and Co. of exercising a monopoly over railroad banking and thus controlling most of the railroads in the country.

The first check written by the RFC after it was established in Hoover's administration was for the purpose of liquifying some bad paper held in the Morgan vaults at Broad and Wall streets, New York.

The check was for $400-million and was made out to the Missouri Pacific Railroad with the distinct understanding that the money be used to redeem some defaulted bonds held by the wealthy bank firm.

This deal was exposed by the Interstate Commerce Commission but was promptly "hushed up" by government authorities.

In seeking legal authority from Congress to "write off" the $2,675,000,000 in defaulted RFC loans,, **Chairman Jones so far has declined to reveal the borrowers who are to be favored by such cancellation and which of them are Morgan-controlled railroads.**

The taxpayers of this nation should be apprised of this suppressed information.

After all, they are the ones who will hold the bag if Congress is dumb enough to grant the Jones request.

Monopoly Has Thrived Under Present Regime

Utilities Keep Power Costs At Top Level

A striking commentary on the evil influence which monopoly exerts over the standards of living is afforded by a study of the cost range maintained by the Morgan-controlled utilities industries (light and gas) in the last few years.

The itemized "living costs" table on page 9 of today's edition shows that the average cost of electric light, gas and other fuels to the consumer has remained about the same, ranging from 162 to 165, while the prices for other living necessities have fluctuated since 1931.

An even more startling conclusion is reached when the cost average for these items for the years 1937 and 1919 are placed side by side.

Though the average cost of living has **dropped** 29.2 points since 1919, light and fuel prices have **jumped** 13.4 points.

Meantime the average citizen in 1937 was compelled to dig down and pay 67 per cent more in taxes than he did in 1919!

Figures for the two years are as follows:

Year	Avg. living cost	Fuel, light cost	Per capita tax
1919	176.2	148.6	$42.86
1937	147	162	$98.00

Representative Wright Patman of Texas recently brought forth some interesting information about the growth of monopolies under the New Deal.

According to a table prepared by Mr. Patman, Montgomery Ward and Company lost $5,686,784 during 1932, but made a profit of $20,198,914 in 1936.

Sears, Roebuck and Company lost $2,543,651 in 1932, made $30,660,119 in 1936.

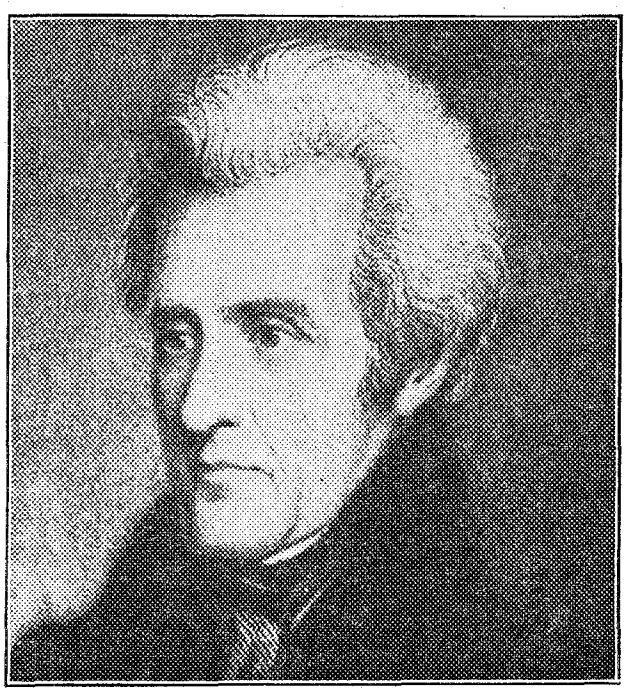
The earnings of the du Ponts were $26,234,779 in 1932 as compared to $89,884,450 in 1936.

The Patman statistics, however, didn't reveal that when the N.R.A. was foisted on the nation, Barney Baruch, Wall Street banker and White House friend, and his associates cleaned up a tidy fortune while thousands of merchants were being run out of business by big monopolies.

While it ruined the small merchant and set back recovery two years, the N.R.A. made fortunes for speculators who had the tip that it was coming and loaded upon such securities as Montgomery Ward, Sears Roebuck, du Pont, General Foods, A. & P., Standard Brands, Borden's Milk, etc., etc.

In His "Jackson Day" Speech At Washington President Roosevelt Forgot To Remember:

Old Hickory's



Farewell Address

Here's Why---

ASTUTE political observers predicted that President Roosevelt would not dare to quote from the farewell address of Andrew Jackson when members of the Democratic party gathered at the annual "Jackson Day" dinner in Washington.

They were right he did not.

The president contented himself with quoting several "safe" passages from the Jackson archives and alluding to certain incidents in "Old Hickory's" career. He did a masterful job of contorting the political philosophy of his great predecessor so as to make it conform, at least in his own opinion to New Deal economics.

In doing so he was wise enough to treat with a great burst of silence Jackson's farewell address. The following few typical excerpts from that speech explain why.

Jackson declared in part:

"The experience of other nations admonishes us to hasten the extinguishment of the public debt. . . . No political maxim is better established than that which tells us that the improvident expenditure of money is the parent of profligacy, and that no people can hope to perpetuate their liberties who long acquiesce in a policy which taxes them for objects not necessary to the legitimate and real wants of their government.

"My experience in public concerns and the observation of a life somewhat advanced confirm the opinions long since imbibed by me, that **the destruction of our state governments or the annihilation of their control over the local concerns of the people would lead directly to revolution and anarchy, and finally to despotism and military domination.**

"In proportion, therefore, as the general government encroaches upon the rights of the states, in the same proportion does it impair its own power and detract from its ability to fulfill the purposes of its creation."

Warning against "the assumption of doubtful powers" by the government in lieu of the democratic policy of amending the Constitution, Jackson added:

"The difficulty and supposed impracticability of obtaining an amendment of the Constitution . . . is, I firmly believe, in a great degree unfounded. The time has never yet been when the patriotism and intelligence of the American people were not fully equal to the greatest exigency, and it never will when the subject calling forth their interposition is plainly presented to them."

Jackson also bitterly berated the "Federal Reserve" bankers of his day, his greatest enemy, for their determined, albeit unsuccessful, attempts to gain control of the people's money during his administration.

Now, do you wonder why President Roosevelt neglected to mention "Old Hickory's" farewell address?

Eccles Denounces Soldiers' Bonus At Behest of Wall Street Lenders

WASHINGTON, D. C.—The money lenders of Wall Street were very disgruntled when the government distributed a billion and a half dollars to the war veterans, but it remained for their mouthpiece, Marriner S. Eccles of the Federal Reserve Board, to bring this resentment to the surface.

Mr. Ecles did so recently — with gestures.

He went so far as to blame the business recession on the bonus payment to the soldiers.

It will be remembered that Father Coughlin played a front-rank role in the fight for the bonus. It was a hard fight, won only after a strenuous struggle.

The bonus was paid out during the 1936 election campaign. The greater part of it went into circulation immediately and helped to bring about a temporary prosperity.

Circulation of this money stimulated employment, helped business, took a great many veterans off the relief rolls, and did a great job generally until Mr. Eccles' Wall Street masters got their hands on it.

As chairman of the Reserve Board, Mr. Eccles raises and lowers the rediscount rate on bank credit at the convenience of the big money lenders. His reason for blasting the bonus payment is therefore very clear.

The distribution of $1,500,000,000 by the government put a temporary crimp in the racket of these financiers by making it difficult for them to lend money at exorbitant rates.

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